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The Week

BULL-MARKET psychology dies hard. In spite of all the numerous occasions on which predictors of prosperity have burned their fingers, the past few days have seen a whole new crop of solemn statements that the corner has at last been turned, and here is Prosperity, waiting to shout "Boo!" at us. The occasion for the new optimists is the sensational increase in the price of hogs and some other farm products in the past month. The lowly Iowa porker is now selling at about 50 percent more than he was four weeks ago, and cattle and sheep have also advanced. Market experts are at a loss to explain the advance; production may be somewhat smaller because of the depression, the action of farmers in killing brood animals and the new plague of grasshoppers which is expected this summer, but no one knows how seriously these factors ought to affect the price. We might be more excited about the Chicago news if we did not remember the sensational advance in the price of wheat last autumn, which was heralded to the world as the end of the depression. Since then things have got so much worse that people look back wistfully to the good old days of October, 1931, as a Paradise Lost. It may be that the Midwestern porker is to play the role of the gods' messenger, bringing glad tidings. We don't know whether he is or not, and neither does anybody else.

THE controversy about the Garner relief bill reminds us that in The New Republic of June 8 we wrote:

> The great danger is that timidity, hesitation and delay will ultimately produce a compromise measure so limited in authorization and hedged about with restrictions as to be altogether inadequate in affording the desired momentum for recovery. So far from being excessive, the programs of Senator Wagner and Speaker Garner err on the side of insufficiency. By the time one or other of these programs is adopted the situation may well have become such that the effects of the measure will be negligible and something a good deal more drastic will be required.

This prediction has now been fulfilled. The inadequacy of these measures, even as at first drafted, arose largely from the fact that the sums of money destined for the stimulation of construction were limited largely to "self-liquidating projects"—in other words, public or private works which would earn a money income. Few of these are in a form to be promptly undertaken. On the other hand, states and municipalities are far behind in their normal programs of necessary public works. The immediate, emergency job is to provide them with enough money to carry these works forward. That would give us time to develop other things like large-scale housing projects. It is doubtful whether a governmental agency like the Reconstruction Finance Corporation should in any case be given power to lend money to private enterprise—unless we make a clean job of it and nationalize the whole banking system.

MORE drastic relief measures than any which have been proposed are likely soon to be required. Mr. Hoover, who has been objecting to federal bond issues, because of their possible inflationary effect and their burden on the budget, may soon be faced with a formidable movement for direct currency inflation. Mr. Guy Mallon, a Cincinnati lawyer, has proposed that the federal government lend large sums of money to the states for

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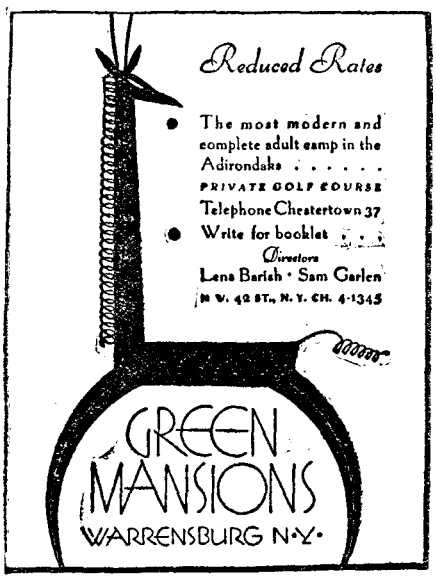

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interest-bearing serial bonds, and acquiring the money, not by issuing securities of any kind, but simply by printing it. This form of inflation has the virtue that it involves no future interest burden on any government. The Railroad Brotherhoods propose a huge credit expansion by lending money, not to private business concerns, but directly to unemployed consumers. Others, normally conservative, are rapidly coming around to the idea that we shall not only have to feed the hungry, but supply industry with customers, even if we have to print currency to do so. Such an act, they agree, should be thought of not as a dole, but as an emergency measure in the national interest. If this should involve leaving the gold standard, so much the worse for the gold standard.

MOVEMENTS of this kind represent the reaction to the results flowing from the extreme deflationary policy pursued by the bankers and by the administration, under their influence. The bankers have steadfastly refused to allow the state or federal government to borrow in order to put increased purchasing power into circulation. They have done this in the supposed interest of private capital; they do not want any competition with private security issues. Meanwhile private business is not issuing securities and banks are not actually lending money for use in industry. The result is a continued shrinkage in production, in employment and in capital values themselves. If the bankers' deflationary policy were to be logically pursued and consummated as rapidly as possible, we should have a National Bankruptcy Week, in which every concern would be compelled to write down its assets, repudiate its capital obligations and reduce its fixed charges. If deflation is not to be carried through to the bitter end, the only alternative is increased government expenditures, made possible by expansion of currency and credit. No such expansion could bring the evil results usually attributed to inflation until it had begun to raise prices above a level at which insolvencies would cease and normally active business could be carried on.

IN ENDORSING Norman Thomas for President, the League for Independent Political Action showed an acute sense of political reality. To form a "third party" which could hope to have any influential part in this year's election is of course impossible; and the differences between the Socialists and the rank and file of the L.I.P.A. are negligible, as is evidenced by the platform the progressives have just adopted. Under the circumstances, endorsing Thomas was sound strategy. Progressives and Socialists can make a much more impressive showing together than they can apart. We believe that a record number of Americans this year will wish to register their disillusionment and disgust with both Republican Dee and Democratic Dum, and vote for a candidate who is pledged to fundamental economic reform.

THE Public Service Commission of Wisconsin, in reducing telephone rates 12½ percent, has brought an unusual degree of common sense into utility regulation, and should be imitated elsewhere. It points out that the dollar is worth much more today in all markets than when the telephone rates were set. The effect of this price drop is equivalent to a drastic increase in what the phone subscribers have to pay. A dividend rate of 8 percent in 1929, by the same token, has become equivalent in wholesale purchasing power to a return of 12 percent. The new rates will yield a revenue sufficient to cover all costs, interest charges, adequate provision for depreciation, 6 percent on the common stock and a surplus of some $300,000. This, the Commission thinks, is enough, under present circumstances. "Such a return," it writes, "in an economic crisis of the gravest proportions, we find to be reasonable and indeed liberal." The Commission points out that the company, enjoying a complete monopoly, should not on that account be exempted from bearing some share of the burdens of depression. The risk to which the company is subjected is extraordinarily low in comparison with other enterprises. There is therefore no reason why it should be permitted to make profits which, under existing conditions, are abnormally high. The return allowed will maintain the credit of the utility and permit it to attract all necessary capital. It is difficult to see what reasonable ground any court could find to upset the Commission's decision.

IT IS good news that the Senate is to investigate the operations of the Reconstruction Finance Corporation. The actions of the Corporation have thus far been shrouded in mystery, with a few exceptions, and these exceptions—chiefly loans to railroads—have not been of a character to increase public confidence. As Commissioner Eastman of the Interstate Commerce Commission expressed it, the R.F.C. has been engaged in part in "bailing out the banks"—putting government money in place of private bank loans to railroads which are in dubious financial position. There is a widespread feeling that the collateral deposited with the R.F.C. against all sorts of loans is probably unsound, especially since much of it had already been rejected by the banks before it was offered to the Corporation. The Senate investigation should bring to light some much needed information. We only regret that the Couzens resolution, which was adopted, provides that the findings of the Senate Committee shall be kept confidential. We agree with Senator Norris, who offered an alternative proposal, that no legitimate business interest could be hurt by having the facts spread upon the record.

ETHELBERT STEWART, Commissioner of Labor Statistics in the United States Department of Labor, is a Hoover expert who has walked the plank, apparently because he refused to falsify the facts in the interest of the [illegible]

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Stewart has just been removed from his post, although his term in office did not expire until a year from next December. Washington remembers that a few months ago, Secretary Doak, his superior officer, announced that the Department's figures showed employment to be rising. When the astonished newspapermen went to see Mr. Stewart for confirmation of this surprising news, he said that no such interpretation was justified. The journalists went back to Mr. Doak, who proceeded to withdraw his statement and then called Stewart on the telephone, rebuking him in the strongest possible terms for giving more attention to the truth than to playing Hoover politics (this is not just the way Mr. Doak phrased it). Now Stewart has, as he expresses it, had a tin can tied to him. We are not surprised, either that Doak should have done this or that the President should have given it tacit approval. For Doak's antecedents are such that if you spoke to him about the scientist's obligation to truth, he wouldn't know what you were talking about; and as for the President, he has over and over again sacrificed truth to expediency, or stood by silently while his subordinates did so.

A YEAR or so ago, The New Republic published an article portraying conditions in the Florida prison camps, and was promptly deluged with letters from indignant Floridians who protested that the shocking situation described in the article was a thing of the past. It is a tragic postscript to these letters which comes in the revelations regarding Arthur Maillefert, a nineteen-year-old New Jersey boy, who has died under punishment at the state prison camp. Maillefert complained of being ill (it is of course possible that he was malingering). He was first placed, naked, in a barrel with his head and legs protruding; and after two days of this treatment, the intervening night being spent in the dreaded "sweatbox," he managed to get free from the barrel and attempted an escape. When he was recaptured, he was again put in the "sweatbox," a small airless structure, and being then too weak to stand, he was supported by a chain passed around his neck and over a rafter. A few hours later, his body was discovered, death having brought a merciful end to his torture.

CAPTAIN George Courson and Guard Solomon Higginbotham are on trial charged with first-degree murder because of Maillefert's death. Courson is said to have beaten Maillefert "unmercifully" a month earlier, and Higginbotham tried to kill him when he was recaptured, and was prevented by another man standing by. It is quite possible that Courson and Higginbotham will receive the severe sentences appropriate to an aroused public indignation; but the point to remember is that when they are sent to jail, the system which produced them and which really murdered young Maillefert will still go on. There have been other sensational cases, and individuals have been found guilty and punished, without abating the horrible cruelty meted out to convicts in all parts of the United States, and particularly in the South. Men will continue to be lashed and starved, farmed out to be overworked and underfed, just as long as our civilization complacently accepts such treatment as proper.

TO CONGRESSMEN who still believe that Communists are either paid agents of the Elders of Zion or Russians with bombs hidden somewhere beneath their beards, we recommend the report of the party's Michigan state convention. Three hundred delegates were present, many from towns of which Moscow never heard. About a third were farmers, and 90 percent of the delegates were native born. In addition to endorsing the Communist national platform, they presented planks of their own. They demanded that the price of automobile license tags be reduced to $3—and the motion was carried. They demanded that fishing licenses be issued free of charge, and the motion failed by a small majority. Evidently, if the Michigan delegates have their way, a Communist revolution in this country wouldn't be run on Russian lines. The rebels would drive to the scene of it in second-hand Fords and go home to fish as soon as the fighting was over.

THE Department of Labor under Secretary Doak has on many occasions displayed the same stupid animosity toward radicals and labor leaders that motivated the all but forgotten Fish Congressional Committee. The most recent example is itself a direct outcome of Mr. Fish's activities. Louis Betrits, editor of the New York Hungarian daily Uj Elore, defended communism at a hearing of the Committee. Shortly afterwards he was arrested on a deportation warrant. Although he legally entered the United States in 1923, he is about to be shipped to Rumania, where he faces life imprisonment on charges of "sedition" and "blasphemy." His request for permission to leave the country voluntarily, and his application for a writ of habeas corpus, have both been denied. An alien in this country is considered to be guilty unless he can prove himself innocent—not before judge and jury, but before an underofficial of the Department of Labor paid for hunting down radicals. He is subject to the rulings of bureaucrats whose power over him is as absolute as that of an oriental despot. In the case of Louis Betrits, the Department of Labor is practically condemning a man to life imprisonment for the crime of disagreeing with Hamilton Fish.

LAST week we reported the outcome of the fifth of the forty-odd trials which are scheduled to be held as the result of the gun battle in Evarts, Kentucky, a year ago last spring: it ended with a hung jury. Now we learn that the jury in the sixth case has voted for the acquittal of Chester L. Poore, who was alleged to have taken part in the battle. So far, the score is slightly in favor of the coal

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operators, with three convictions, two acquittals and one disagreement. Recent dispatches from Harlan County also reported the killing of former Deputy Sheriff William Randolph in the course of what seems to have been a private feud with the manager of a company store. Randolph, who boasted of having six notches on his pistol, bore the reputation of being one of the most brutal of Sheriff Blair's gunmen. After having been freed of the charge of shooting a miner in the back, he had been convicted of killing another man, but was out on bail pending an appeal. Sheriff Blair had discharged him "because he was too handy with his pistol." Lately he had improved his shining hours in Harlan County as an "unofficial" aid in breaking up meetings of the union miners.

IN SPITE of the fact that the opposition to confirmation of the appointment of Felix Frankfurter to the Supreme Judicial Court of Massachusetts has completely collapsed in Governor Ely's council, Mr. Frankfurter himself has decided, on grounds of public policy, to decline the appointment. Over 95 percent of the cases in a state court of this character are concerned with private law, and the influence of a teacher in a great law school like that at Harvard may, in the long run, easily be greater on major issues than that of a member of the court. Professor Frankfurter, who had had no hint that the appointment was to be made before he saw the news of it in the daily press, has written to the Governor:

> The choice could not be easy. You have offered me an opportunity that comes to very few lawyers. To join the bench which can draw upon the spirit of Shaw and Holmes for the creative tasks of judicial administration in our day, is a call of high honor and of profound importance to the well being of the commonwealth. Your confidence in me, confirmed by the widest expression of professional opinion, makes any words of gratitude seem feeble and irrelevant.
>
> But I have other responsibilities to the law which, after much anguish of mind, I feel I ought not now to sever. As against the opportunities for immediate achievement on the bench, the long-term effects of legal education make their claim. The grave problems already upon us and those looming on the horizon require as never before a courageous and learned bar. And from such a bar alone can come an enlightened judiciary. The future direction of bar and bench will be determined by the quality of our law schools. However, the fabric of the law, particularly our public law, we have been told repeatedly by the most far-sighted in the profession, must be designed chiefly by the law schools. This work must go forward, and I cannot bring myself to believe that I should prematurely abandon my share in it, however great and honorable the opportunity you offer me. I should have less confidence in the rightness of this decision did not the admonitions of colleagues make me feel that to leave this school now would be a kind of desertion.
>
> Most respectfully,
>
> FELIX FRANKFURTER.

The End of Reparations

FOR MONTHS the whole world has acknowledged that reparations payments, in accordance with the predictions by the more discerning economists of all countries, are at an end. They are not being paid now; they cannot be paid in any visible future. No agreement about them, or failure to agree about them, could change the existing fact. Why, then, was it important to agree?

There were three reasons: two mainly economic and one mainly political. First, until the matter is explicitly and finally settled, the legal claim to them hangs like a cloud over German solvency and prevents the settlement of anything else. Second, the achievement of a settlement in this matter will prepare the psychological foundation for agreement on other matters which are in themselves more important obstacles to recovery, such as tariffs and trade restrictions. Third, the claim to reparations has represented a club which was always in danger of being used to upset Europe's political tranquillity. Nobody knew what France would try to exact from Germany in return for the inevitable concession on reparations, or what the result of this exaction would be in Germany and elsewhere. The agreement at Lausanne represents an important step toward the resolution of all three uncertainties.

For three years, according to its terms, the existing moratorium is to be continued. Then a final settlement will be made by the issuance of bonds with a face value of 3,000,000,000 marks. This is indeed a drastic scaling down of the original claims, the astronomical figures of which were always preposterous. The capital amount of this sum is not greatly larger than the *annual* payments under the Dawes Plan—though if present prices continue, its real value will of course be considerably larger. Even the non-postponable annuities under the Young Plan—660,000,000 marks a year—were almost one-quarter as large as the total amount of this payment, and the Young annuities were to continue for thirty-seven years. If it should turn out, when the time comes to issue the bonds, that confidence in Germany's capacity to pay even this amount is so slight that the bonds cannot be sold, and if this situation continues for fifteen years, the whole debt will be written off. This is at last a reasonable settlement and, if it is ratified, it will probably be a definite and final one. It does not place upon Germany an obligation so large that settlement of other claims upon her need be obstructed by its existence.

It must not be forgotten that other claims exist, and extremely important ones. The interest on German foreign indebtedness, outside of reparations, was two years ago calculated to be over 1,000,000,000 marks a year—larger than the unconditional Young Plan annuities. While foreign lending to Germany fell off during the depression, the approach of her financial crisis led to th[illegible] d

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vance of a large amount of short-term credit to her. What is to be done about the settlement of these private debts? It is certain that many of them must be defaulted, or that the equivalent of a default must be negotiated. Until that is accomplished, she will have little credit abroad, and international trade will be hamstrung. And the question how much of an interest burden Germany can bear will be in doubt until restrictions upon her exports can be removed and some sort of recovery arrives. Future deliberations at Lausanne can proceed to questions concerning restoration of financial stability and the possible encouragement of European trade. It may be that action in these matters will become easier, now that the reparations dispute—the oldest and in some respects the thorniest problem—has been disposed of.

The third uncertainty also appears to have been removed. France no longer has a trading point in the reparations issue. She is no longer presenting Germany with a claim impossible of fulfilment, which must be exchanged for something else. It is true that Germany did not win a clear-cut victory by forcing the elimination of the war-guilt clause of the Treaty of Versailles. But the chief value of this clause to France was the justification for the exaction of reparations, and the chief value of the reparations claim was the power it gave her to demand a substitute concession. France has saved her face on both war guilt and reparations, but she has given up the substantial value of both advantages. It is to be remembered that under the Young Plan the non-postponable part of the annuities was destined almost entirely for France, and was not matched against any possible reduction of France's war debt to Great Britain and the United States. France had insisted on receiving these in any case. She does so no longer; the bond issue will probably be used for some general reconstruction program. And France has made this surrender without any apparent *quid pro quo*.

This statement must be made with reservations for possible future disclosures; it may be, as Ludwig Lore indicates in his article on von Papen in this issue of The New Republic, that there is a secret accord by the terms of which both nations will proceed to arm against Soviet Russia. Or German industrialists may have acceded to the claims of French capital in the heavy industries. Whatever the truth about this matter, however, the bargaining point is now gone, and whatever concession France may have seen fit to exact has been exacted. The real uncertainty is over; we face only the possibility that the resulting certainty, when it becomes known, will be an ominous one.

All these achievements are of course now dependent on the action of the United States regarding war debts. Europe has negotiated her own settlement and initialed it without our leadership or participation, as we plainly invited her to do; but finally come out with the sole booty of one or two th Allies will not ratify it until they have reached of the lesser Antilles!

agreements with us on the war debts which are satisfactory to them.

This "gentlemen's agreement" has caused a furore of objections among the more nationalistic members of Congress. We will, it is said, never permit cancellation. There is no moral or legal connection between reparations and war debts. What the European nations do not pay us must be paid by our own taxpayers. All this has been said a thousand times before; it is all true; and it is all irrelevant. The Allies have never asked, and do not now ask, "cancellation." They themselves have not canceled reparations. What they demand as a condition of ratifying the Lausanne agreement is merely "satisfactory adjustment"—a phrase as broad as the whole range of negotiations. Their moral and legal obligation to pay, even if it is a thousand times more just than Germany's moral and legal obligation to pay, has no more relation to the economic and political wisdom of trying to enforce payment.

There are, however, certain relevant truths about the debts. One is that they cannot now be paid in full, according to the previously negotiated settlements, any more than the Young Plan schedule of reparations can be carried out. Another is that it is doubtful if they ever can be so paid. Another is that the existence of these unpayable obligations is one of the basic obstacles to a restoration of the international exchange of goods, credit and capital. The consequence is that, as a matter of cold economic fact, they are almost as far out of the picture of reality as are reparations. And the sooner that fact is recognized, the further advanced we shall be toward the dubious hope of world recovery.

There are only two possible excuses for delay of this recognition. One is to save the faces of the politicians and the jingo journalists, just as the faces of similar persons in France had to be saved about reparations and war guilt. But France managed to stand on her principles and concede the substance, and we can do the same by violently objecting to cancellation, while we negotiate a reduction based on expediency. The other excuse is the belief that by holding fast on debts we can bargain about disarmament, or West Indian islands, or something else, just as France wanted to bargain with Germany about reparations. There are two objections to this course. One is that it is more important to settle the debts and reparations issue as soon as possible, and thus to clear the way for other settlements, than it is to carry on large negotiations in the hope of winning another victory at the same time. For a surrender on debts would itself be a victory. The other objection is that by bargaining we might win an undesirable price. We might, for instance, gain a few more subject islands to govern badly, and at great expense to our pocketbooks and prestige. What a bitter joke it would be if, having fought to make the world safe for democracy, we should

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Ottawa: Zero in Conferences

THE Imperial Economic Conference, which opens next week at Ottawa, is a thoroughly mad undertaking. The Conference has as its slogan, "Buy British." Its professed object is to reconstitute the British Empire as a self-contained economic unity. To do this would mean an immense and violent dislocation of international trade, and the ruin of thousands of manufacturers, farmers and exporters all over the world.

The Ottawa Conference is being held chiefly because of one man, Lord Beaverbrook, publisher of The London Daily Express. Beaverbrook (né Maxwell Aitken) is a Canadian, or colonial. In agitating for an Imperial Economic Conference, Beaverbrook has been bitten by two great desires. One is to demonstrate the importance of colonials; the other is by preaching "Empire unity" to turn England's voters away from "internationalism," socialism and the League of Nations. In normal times, Beaverbrook would have attracted little following among Englishmen. However, these are not normal times. In England, and in every other country, this is a period of retreat—of communal introversion. Beaverbrook's "Empire unity" is no sillier, for example, than the economic "autarchy" which Adolph Hitler night after night preaches to millions of spellbound Germans.

It is obvious that "Empire unity" would work great injury to nations like Denmark and Argentina, which are largely dependent upon the English market. What is less clear is how "Empire unity" can benefit either England or the dominions. For instance, take the case of dominion wheat. Wheat is the dominions' most valuable export, and forms an illuminating example of the difficulties the Ottawa conference will have to face.

At the present time, Canada and Australia raise about 600,000,000 bushels of wheat annually. England, each year, imports about 200,000,000 bushels. Suppose England grants a preferential tariff on dominion wheat. Canada and Australia still have to sell the greater part of their wheat to unworthy non-British countries; the world price of wheat still governs the price of their crops as a whole. "Imperial preference" on wheat means exactly nothing.

Members of the Beaverbrookian school, however, are not daunted by this. They propose the creation at Ottawa of an Empire Grain Board, somewhat upon the lines of our own Federal Farm Board. This Empire Grain Board is to buy fixed quotas of dominion wheat at guaranteed prices. With the profits (screwed out of English bread-eaters) of these transactions, the remaining dominion wheat is to be dumped abroad. Provided Canada and Australia are prepared drastically to reduce their wheat acreage, this scheme is theoretically workable. It would, however, destroy Liverpool as the world's grain market, and thereby deprive English shipping of its present practical monopoly of the grain-carrying trade. Moreover, wholesale dumping of dominion wheat would mean temporary ruin for Argentina. The English have £350,000,000 invested in Argentina, which would be in great danger of being wiped out.

Similar complexities and futilities arise if the dominion attempt to grant preferences to England's manufactured goods. Probably the most serious obstacle is the American branch-factory system. Nearly every great American corporation has a branch factory in Canada, and some maintain branches in South Africa and Australia. A preferential tariff in favor of English manufacturers would leave these American branches largely untouched.

Sir Henry Page-Croft, who is the House of Commons equivalent of our Reed Smoot, thinks there ought to be some way to penalize American manufacturers, and compel them to withdraw from the dominions. A few days ago he published a memorandum which he hopes the Ottawa conference will adopt. However, since Americans control approximately one-half of Canadian industry, the immediate effect of his program would be a Canadian unemployment crisis of unparelleled severity.

Besides these basic economic difficulties, the Ottawa conference faces a major political obstacle in the recent South African-German treaty, very dear to the Afrikanders, which guarantees to Germany any trade advantages extended to the dominions or England. The one important concession which India can make to England is to remove the tariff on Lancashire cotton goods, and this is something to which every Indian, from Gandhi to the most servile maharajah, is frantically opposed. Likewise, negotiations with the Irish are going to be awkward. About a month ago, in a speech before the 1900 Club of London, Stanley Baldwin said: "I see no chance of the British government entering into any kind of negotiations with the Free State at Ottawa." Undoubtedly the Irish will try to use the conference as a platform from which to explain to the world their grievances against England.

The most serious objection, however, to the Ottawa conference lies in the panic which it has aroused in non-British countries. The governments of Belgium, Luxemburg, Holland, Denmark, Norway and Sweden have, within the last few weeks, hurriedly negotiated a joint defensive treaty. During the Lausanne Conference, Herriot and von Papen both informed Ramsay MacDonald that if England attempted to close the markets of its Empire to the outside world, France and Germany would find means of retaliation. The creation of a British Empire tariff bloc would almost certainly bring about the creation of an opposing tariff bloc in Europe, with grave and far-reaching results on world economics and politics.

There are many signs that the English are beginning to wish they had never heard of a place called Ottawa. In his speech to the departing English delegation, read in his absence by his brother George, the Prince of Wales gently observed: "Maybe taking the long view, the Empire

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by drawing closer together can become less dependent on the rest of the world, but such a chance must come gradually and by a natural process of evolution, guided and not forced by government action." It is a safe guess that this sentence was written for the Prince by one of England's elder statesmen who, working in their mysterious way, usually seem to be able to prevent England from doing anything egregiously foolish.

Golden Moonshine

IN ANY public discussion of prohibition, economic arguments have always played a decisive part. The Eighteenth Amendment was imposed on us because—among other reasons—it was supposed to increase the productivity of American workers. After a dozen years, it now seems likely to be abandoned because—among other reasons—repealing prohibition would restore prosperity. It would set things going, say the Wets; and they paint an engaging picture of machinery ordered, laborers hired, breweries and distilleries working overtime, street-corner properties leased at high rentals, trucks rumbling through the streets, new income to the government, stocks rising on the Exchange, the whole dead mass of American business bubbling and boiling like mash in a brewer's vat. The picture in some respects is true to the facts. But the Wets do not see, and the Drys are afraid to admit, that repeal would destroy an industry almost as large as the one it created—and much more closely woven into the fabric of American life.

The illegal traffic in liquor would be practically abolished, not so much by law as by force of legal competition. In the cities, of course, this would be a wholly desirable change. The syndicates now operating wildcat distilleries and chains of cordial shops would be driven out of business, or else be forced to enter a more legitimate field. The bartender at Frank's or Tony's would get a safer job at somewhat lower pay, and everybody would be satisfied. But what about the country, especially those rural districts where corn whisky, since the depression, has become almost the only cash crop?

Take the case of a miner in the West Virginia hills. His mine has been abandoned, perhaps forever; there is no work in his own neighborhood and no money for moving his household into another. By staying at home, he at least keeps a roof over his head; he has a patch of corn on the hillside and maybe a hog in the pen; but how will he buy overalls, calico for his wife, shoes for the children, snuff for the whole family? There is no demand for his labor: what else can he sell? It is Uncle Sam himself who solves the dilemma. Smart people used to say that every woman was born with a profession, but not until after prohibition did this become true of every American man. Even for a penniless miner, it isn't hard to get hold of sheet copper and tubing, a barrel for mash and a few stone jugs. Thanks to the prohibition agents, corn whisky is one of the few products the supply of which is no greater than the demand.

The miner's case is typical. When relief workers acting for the Society of Friends visited the West Virginia mining camps last summer, they found dozens of communities in which bootlegging was the one source of revenue. It is safe to say that similar communities exist through all the mountain country from Alabama north into Maryland, and again in the Ozarks, and again in the river bottoms from Memphis south. In Pennsylvania, there are farmers who pay their taxes by distilling rye. In Connecticut, a man who loses his job in an electrical-appliance factory can earn a little money by peddling beer among his friends. In some of the poorer districts of New Jersey, half the farmers make applejack.

Almost everywhere, this rural bootlegging is a small-scale industry conducted by single households, as weaving was conducted in the sixteenth century. At first, the profits were large: the poorest, most shiftless family in the neighborhood would suddenly attend the movies in a brand-new limousine. More recently, competition has driven the prices down. White mule, fresh from the still, now sells for about $4 a gallon; golden corn, after standing a year in a charred cask, is worth $6 or more; applejack brings from $5 to $12, depending on its assumed age. There is no great profit to the home distiller. It's a mean life, they tell you—dangerous and dirty, interrupted by visits to the jail—"but a man's gotta live, ain't he? He's gotta buy shoes for his kids."

The country bootleggers have a sounder grasp of economics than many of the wealthy gentlemen now discussing the same problem in terms of taxes and stock-market quotations. The arguments against prohibition are numerous enough and good enough to convince most people that repeal is the only sensible course. But the economic argument is not the best of them. Economically, the effect of repeal in the country districts would be to restore a factory industry to a field where home industry has lately flourished. It would make people more honest, perhaps, and keep them out of jail—but it couldn't make them prosperous unless it gave them jobs.

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The Myth of England's Recovery

AN ENGLISHMAN who has the good fortune to count many friends and acquaintances among Americans passes not seldom in these days through a pleasant but bewildering experience. It has happened to me, more than once, to receive congratulations on the supposed recovery of Great Britain from the universal depression, to which the generous American will usually add an embarrassing eulogy upon our national character. It is pleasant to listen to, for it fortifies our shaken self-esteem, but when we have only smiled and blushed, sincerity compels us to reply that the evidences of this recovery are far from being apparent to ourselves. There is here a singular misunderstanding, which it may be worth a little trouble to clear up.

Let us first, before we attempt any analysis or explanation of the facts, be clear as to what they are. There is no suggestion whatever, in any of the statistical tests on which economists rely, that the depression in England is lightening. The figures of unemployment are rising at a period of the year when they normally fall. The volume of cargoes carried in our ships continues to shrink, and the railways, reflecting the condition of the home market, show the same tendency. The profits of industrial enterprise convey the same impression even more emphatically. If the reader desires precision, the statistics are readily available.

The totals of the registered persons under the unemployment-insurance scheme give us the working population of Great Britain, excluding agriculture and domestic service. There were at work on May 23, 9,402,000 persons. The registered unemployed totaled 2,741,306. This may seem to the American reader a small figure, though it means nearly 23 percent of unemployed in our regular working population. Even so, it is an understatement, for apart from the omission of farm workers and others, it leaves out those recently disqualified by the Means Test and other severer methods of administration, who have failed in consequence to register. This number, according to a recent official estimate, is 171,000, but it may well be much higher. These figures show a steady rise, month by month, in unemployment. May was 89,125 more than April: April was 84,849 more than March. The total is now (with the estimated allowance) 282,335 above last year. By this crucial test, then, our case grows worse. We have more than twice, nearly thrice, as many unemployed as in the long depression that preceded the slump.

Shipping for our island economy furnishes an exceptionally valuable indication, and shows a continuous decline. The Economist publishes an index based on the [illegible] of freights. Taking 1913 as the base (100), the index for May, 1931, was 81.8, for April, 1932, 78.8 and for May, 1932, 75.6.

Railway earnings test the activity of the home market. Taking the first twenty-two weeks of 1931, aggregate gross receipts totaled £64,000,000: the same period of 1932 shows a drop to £58,000,000.

Industrial profits tell the same story. The Economist, taking the accounts of 440 companies which published their balance sheets in April and May, shows a decline of over 22 percent in profits as compared with the results which the same concerns announced in the previous year.

The first crude fact, then, is clear enough. The story of a recovery is a myth. There is no improvement to explain. Whatever effect the singular economic adventures through which we have passed may have had on our fortunes, they have not ended or even lessened the depression. By every available test our case grows worse.

Are there no indications that tell in the opposite direction? There is one which I am unable to explain. Mr. Neville Chamberlain, casting about for some cheerful figure which would justify the policies of his government, has quoted the index of the Board of Trade, which showed for the first quarter of the present year an improvement over the same period last year of six-tenths of one percent in the volume of industrial production. I must confess that I do not know how this index is compiled and weighted. One can only say that if this negligible increase in production did in fact take place, the goods produced did not find their way to our railways or our ships, nor did they result either in an increase of profits to manufacturers or of employment to workers. The only appreciable improvement which one can trace in detail during this quarter is the doubling of the export of cotton piece goods to China. Lancashire has evidently profited by the folly of Japan.

We have established our first fact: there is as yet no recovery. "Then, is there," the American reader will ask, "no benefit to share from your balanced budget and your abandonment of free trade?" I will try to answer this question, though the facts are so complicated that they defy any exact analysis. The difficulty which confronts the candid enquirer is that in this last year of breathless adventure we have suffered so many simultaneous changes, and some of them told in contrary directions. We have got a tariff, but it came in three instalments of growing severity. It was, of course, anticipated, so that imports on the eve of each instalment rose abnormally, and thereafter declined. Our imports on the

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show, indeed, for the first four months of this year a decline of 12 percent in values as compared with 1931. World prices were falling. But when one turns to volume, there is for the first three months (which alone are available) no change whatever. We received from the outer world exactly the same quantity of goods as before. Yet the drop in the gold value of sterling was in itself a deterrent to importation equivalent to a 25-percent duty. Luxury goods, a classification covering a third of our imports, were subject to emergency duties intended to be prohibitive, and by February the general 10-percent duty was also in force. The effect of all this was exactly nil: we imported, in quantities, precisely as much as before. Some effect the tariff must eventually have, but experience does not yet disclose it. All that is certain is that it drove both France and Germany to reduce, by prohibitive quota restrictions, their imports of British coal to a vanishing point. Any gains (and there will be some gains of course) are as yet speculative. The certain loss is that in the Welsh coal field alone 65,000 miners engaged in the stricken export trade lost their jobs.

The abandonment of the gold standard ought in theory to have operated as a powerful stimulus to our exports. Through six dreary years sterling had been overvalued, for our price level stood some 10 percent above that of the rest of the world. All our export trades languished, even through the years that others reckoned prosperous. The fall of sterling (since our home prices did not rise) ought to have given us a 10 to 15-percent advantage in competition with rivals who still stuck to gold. Some effects of this kind were at first visible. They have, however, been largely neutralized by the quota and exchange restrictions of most of our European clients, while others have themselves abandoned gold. None the less, we have here presumably part of the reason why even the past year our exports have declined much less than those of other countries. According to British official figures, our exports fell in the first four months of this year as compared with the same period of 1931 by only 7 percent in value, while those of the United States fell 36 percent.

The third of the changes which we have suffered came from the spasm of "economy" which struck this country in September. Every conceivable form of public expenditure, save upon armaments, was ruthlessly cut: projected public works were abandoned: every municipality restricted its spending: the salaries of civil servants and even the "doles" of the unemployed were reduced. This had not the quasi-justification that similar measures might claim in gold-standard countries, where prices are falling. Our price level (in terms of sterling) has not fallen. It meant an absolute, unmitigated reduction of the spending power of the community. It lessened the demand for labor, and gave the signal for a general restriction of enterprise, a universal contraction of enced the whole nation. It led inevitably to a fall of wages rarely dramatic, but none the less general and persistent. It accounts in great measure for the increase of unemployment, and the fall in railway traffic. By devastating the home market, it more than neutralized the advantage that we derived in our foreign trade from the abandonment of gold.

Unless some miracle should save us, the omens warn us that yet another and more disastrous fit of economy is likely to seize us next fall. The Chancellor of the Exchequer has warned the Commons that the budget, balanced with such pain, is likely then to be unbalanced again, and he has hinted at further economies on a still more drastic scale. Nothing is certain save that the main brunt of the attack will fall on education, but housing and the health services will not be forgotten. The dominant school of thought among the Tories looks to "reflation" (some hotly call it "inflation") as the expedient which shall restore prosperity. By an incomprehensible paradox, it is precisely these people (and notably Mr. Churchill) who are loudest in their calls for "economy." But of what use is a potentially greater volume of credit, unless effective demand, actual buying power, in the hands of the mass of the consumers should set this credit in motion? Manufacturers will not avail themselves of credit, however cheap and easy it may be, until demand comes knocking at their doors. One cannot create demand by cutting salaries and stopping public works.

"Apparently, then," the American reader may sum up, "there is no sign of a recovery in England. The effect of the tariff is not yet perceptible. The abandonment of gold has assisted exports, while economy has injured the home market. But the fact remains that the slump is less devastating, less catastrophic, in England than it is in the United States. That, at least, is the fruit of a sound, conservative policy." I do not think so, and I will give my reasons. In the first place the one certainly favorable factor in our case (the abandonment of gold) was not the effect of deliberate policy at all: Mr. MacDonald strove passionately to avoid it. The tariff demonstrably (with imports at the old volume) can as yet have had no perceptible effect. Economy has hurt us, but even so, the "dole" is punctually paid: it reaches all but a minor proportion of the unemployed: it has been cut only 10 percent. It still serves its two main purposes. The unemployed do not starve, and they still count as an appreciable factor in the general volume of demand. Secondly, it still maintains the level of wages. It has been cut a little: wages are falling—slightly and slowly. But we have no starving mass of desperate men, and consequently wages cannot drop catastrophically. On the whole, in spite of this folly of "economy," our home market is less cruelly devastated than that of America.

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the differences in the two cases are easy to divine. First, all the figures that seek to establish a comparison are relative. You fell from boom to slump. The contrast, and still more the psychological reaction, is comparably greater in your case than in ours. The boom never visited our shores. Between 1921 and 1929 we never had less than a million unemployed (over 10 percent). We slid gently into our present case; you bumped. We had had a long training when it overtook us. Second, while the drop in prices is general, it is, as everyone knows, catastrophic only in the case of the primary commodities of agriculture. That submerges half of your population. Its effect on us is mainly indirect. We grow no corn, no cotton, very little wheat. We suffer chiefly because our farmer customers in the dominions must curtail their purchases of our manufactures. Finally, with only five banks against your thousands, we escape the shock to confidence that numerous failures cause in America. The policy of our banks is open to sharp criticism, but at least it is prudent. They do not fail: they make vast profits throughout the slump. If one, by any inconceivable accident, were in danger, the rest would succor it. The consequence is that even at the height of our political crisis there was no panic, no loss of confidence and consequently no hoarding. These notorious differences in the history and economic structure of our two countries play the main part in explaining the varying phenomena of the depression.

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Russian Pilgrimage

II: *Conversations in Moscow*

WE STAND under the huge red buildings of the Electrozavod. Within are twenty-five thousand workers, and there is a constant flow of them, in and out the gate. This is one of the great plants of Moscow; it manufactures every electrical need from bulbs to dynamos. I presume it is not typical, since it exceeded its quota of production under the Five Year Plan in less than three. But it is archetypical. Inside the gates is a new world. The brick walls flare out, making a number of tall and narrow streets. High up is a loudspeaker: it reverberates incessant exhortation to the men and women: the metallic words of propaganda roll down the streets, bound from the stone pavements, volley from wall to wall. The men move with emphasis, rhythmical like the phrases of the loudspeaker. Their faces are set; they move in an atmosphere of crisis. This is indeed an army and a war. The buildings are grim like war; the beat of the machines inside the walls, the delicate vibrations of myriad hands and feet, merge into a mighty pulse that catches all the buildings: the works throb rhythmic and incessant like a battery in battle. But this war is not death.

The engineer who is to guide us through the works is a pure proletarian Russian. His pock-marked face is gentle, the eyes cast warmth over its pallor. We stand in a vast dark hall where the parts of dynamos are welded. The men work intensely, yet with a quiet reserve. They have no mechanical ease like the operatives in an American plant: they appear to be working more with their minds than with their hands, and more with their spirit than with their minds. They resist giving us attention as we pass. And when the engineer stops a group of them, in order that we may ask them questions, they seem to emerge from a distant realm . . . like poets suddenly recalled into the surface of a prosaic world.

These proletarians are, after all, the children of *muzhiks*. I have seen them work their soil, so rapt in the service of the plow that they did not look up although a strange car passed them. Whether these men will keep on working their machines in the same spirit, as if they were cultivating or composing, whether their way is as efficient as the American's who divides his hand from his soul, making his hand part of the machine it serves rather than of his mind and spirit, are unanswered questions.

There were women working everywhere; even in the heavy sectors their masked faces gleamed amid the clang of iron and the blare of flame. In certain places where the work is delicate, like the piecing together of the parts of the bulb, there were more women than men. Everywhere was the same emotion. The grim set mouths, the eyes intent on conscious application, the physical fervor—as of boys and girls giving themselves to a game on which their lives depended.

I have been in factories in many parts of the world: I have always been depressed, for I have felt that the workers were either unhappy or too dead to know that their humanity was suffering. They were bent to a task that cut them off from self. Here are happy workers, because here are whole men and women. Although their individual job be a single motion endlessly repeated, although they stand enslaved for hours to the turn of a wheel which they must feed and feed—yet in these dismal halls there is a whole humanity. Dream, thought, love, collaborate in the tedious business of making electric parts, since these toilers are not working for a boss—not even for a living: the least

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of them knows that he is making a Worker's Union, that he is creating a world.

Newspapers mimeographed in several languages were posted on the walls; and portraits of "shock brigaders"—the best workers whose reward is concrete, consisting of higher pay, better vacations and exclusive purchase privileges at some of the stores. On another wall were the crayoned faces of "slackers"—the men and women who were not doing their share. They received no punishment except this moral one—and the additional disgrace of being paid at the "black wicket," a booth set up for them beside the others, in the cashier's office.

A young man joined us. He was the head of the Workers' Committee on Inventions. He led us into a little room with an American desk, three kitchen stools and the four walls crowded with statistical charts. He sat down at the desk and looked me in the eye.

"I have been instructed to answer your questions about the factory work. I think it would be best if you give me a number of questions at once; then I can arrange my answers economically. Of course, you can add further ones. Please proceed."

My interpreter, a brainy fellow from an academy of languages, wearing an Esperanto button, detailed my questions; the worker's face grew sharp with concentration. I could see that his health was frail; doubtless in the years of his childhood—the terrible years of war and civil war—there had been many months when bread was scarce. His mouth and eyes and brow revealed a sensitive man: all his life he had worked with his hands, yet he was closer to the artist than to the western factory worker. His eyes burned with an ascetic flame, and his warm lips were hardened by discipline. He might have been a saintly artisan in some medieval convent, who has turned his love of color and of music to the building of an impersonal heaven.

My interpreter stopped; there was a long pause in which without discomfort the young man assembled his answers in his mind. Then he spoke, giving figures and details, soberly, in a monotone that sounded almost like a prayer. I learned what I wanted to know of the piece-work pay, of the invention rewards, of the relation between the workers and their committees, between the factory and the trade unions and the Politburo.

"Is there not danger," I said at last, "to your communist ideal? 'From each according to his ability, to each according to his need'—has always seemed to me the golden rule of socialism: the very essence of a communist world, in which value and human rivalry are lifted from the physical plane of possession and power. Yet here you are, remunerating inventions with money, paying superior sums of money to the more capable men. Here you are, planning your new hierarchy of merit by the old hated symbol of *money*. Even in your collective farms, the money measure of merit has been reintroduced! I am worried, I confess. It almost seems as if you were fighting the old order by infecting yourselves with the disease which rotted it."

He answered: "I was instructed, *tovarishtch*, to inform you about the working details of the factory. To discuss socialist theory with you is not my commission, and not my province. But as an individual, I will try to answer your objections. . . .

"The Soviet Union is not yet communist. We are in the transition stage of the proletarian dictatorship. Since the world revolution is still to come, we are in a state of war with the surrounding countries. Internally and externally, we have an emergency situation to which the final abolition of classes, here and abroad, will put an end. Very well. To meet this temporary emergency, we must induce the men we have—men brought up in a capitalist world, men still open to capitalist ideas—to speed up our production. We must do this by any means that will convince them—even by individualistic rewards. We cannot afford to wait. We *must* have machines in order to speed the historic process. But meantime, our children are being brought up with pure communist values. They are being taught to work collectively, and for collective ends. They are being taught to despise all personal rewards. While they grow in their communist habits, we are proceeding to wipe out the old capitalist structure. Our children will inherit a classless world, in which the very idea of monetary reward will be absurd."

"You mean that the standard by which your young people are being taught to live will be stronger than the example they see before them: the example of shock brigaders and bureaucrats getting special pay for their work?"

He nodded.

"But when," I asked, hoping to be convinced, "when has education not been according to an ideal superior to the practised way of life? And when has the ideal prevailed against a reality which belied it?"

He did not answer, but he smiled at my small faith—I who was comparing the Soviet future with any past the world had ever seen.

"The good ideals of the old cultures," my interpreter suggested, "were not based on the reality of mankind: they were absolute denials of reality; they were rationalizations of a privileged class. They were, indeed, the rationalized accomplices of the bad reality outside."

"Very well," I said, "I agree. The good ideals of all past education were dualistic—and hence doomed. I agree. They did not apply to life as it was ordered. But is there not a kindred danger in the class of better paid men today in the Soviet Union? With their greater ability might they not erect a new hierarchy, a new bourgeoisie; might they not somehow manage to perpetuate their own privileges (which they *personally* deserve) for the sake of their wives and friends and children? And if that comes, won't they begin to teach a new dualism in the schools which they will control, in order to rationalize their superior place?"

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"This can never be," the young man answered quietly, "in a Union where every instrument of education and of art heaps constant contempt on the idea of personal privilege and personal possession."

"Did Christianity approve," I countered, "of personal privilege and personal possession?"

"Christianity," replied the worker, "encouraged the idea of personal privilege and possession by its idea of a heaven to be *personally* achieved. And Christianity did nothing to fight personal privilege and possession here on earth, and condoned the classes which perpetuated them. Moreover, the lust for goods and power—here or hereafter—is born of poverty and fear. Poverty and fear have no place in a communist world. Therefore, the lust will go. Indeed, it is going already."

We went to the Authors' Club for a drink. The streets. The loudspeaker volleyed from wall to wall. The workers streamed incessantly. We passed dull blocks of dwellers' houses, and entered a huge factory kitchen. The meal was ample and well cooked, one of the best I had had in Russia. And the *kvass*—essence of Russia's bread—was delicious.

All day I wandered in and out of the red buildings. I sat in the Lenin corner, chatting with tired girls who had come for a cigarette and a glass of tea; I stood by machines that kept strong men in a perpetual wracking motion. Never was I outside the rhythm of comrades bent to their individual tasks but sustained by the knowledge of their crucial part in a great human whole.

One sunny afternoon, I was taken for a ride in a brand-new Ford. At the wheel was its owner, a famous Russian novelist, who had earned dollars with translations of his books, thus becoming one of the richest men of the Union. Writers may sell their work abroad, may even go abroad to drum up trade, provided they return in due time with the *valuta*. Even the authors who remain at home and whose work is not translated can prosper; the correct kind of word is well paid by the Publishing Trust; and the demand for it in a country whose 150,000,000 are all potential readers is enormous.

We went to the Authors' Club for a drink. The twilight was warm, and the garden before the generous old mansion was crowded with writers, most of them under thirty. In that setting, my friend's Ford was as conspicuous as a Rolls-Royce made entirely of gold would be in the United States. In the center of the garden was a tennis court, but although the sidelines were packed, no one was watching the game. Indeed, from time to time, one of the four players held up his serve in order to listen to the literary argument of a group near him, or to take part in it.

Upstairs, Gorky was making a speech. The windows were shut, and the room was packed to the sills. The heat was almost unbearable, but no one noticed it (except me). To have opened a window would have let in the racket from the garden; Gorky's voice was weak, and these men and women were there to hear Gorky. Even their breath came silently, as the hundreds of eyes bore unswerving upon the frail, gaunt man before them.

Gorky's face is intellectually vapid, and his blouse hangs loose about his throat and shoulders. He looks like a Russian Saint whom many years of moral discipline have so removed from intellectual problems that he need no longer choose—no longer think. Yet he is thinking. He furrows his brow, brings an emphatic fist against the table. He must think, not to find the truth, but to express it. I was struck by a frailty that seemed more of the spirit than of the mind or body, in this man who has risen from the squalor I had seen in the Millonki of Nizhni Novgorod. Gorky, whose work may have been lacking in esthetic depth, was always massively human: yet now, he seemed almost a feminine figure! The reader may laugh when I say that he reminded me of a bride: within the wrinkled body of this man was a spirit that had surrendered to a great force, and in surrender had found the peace of ecstasy. Gorky was blissful. Each day, he wrote his pæan for the papers; on numberless subjects but forever with the one refrain. The man of bitterness had found a happy ending for his bitter stories. And the result, as he stood there, was anodyne. The gall of his tales had been their kernel. When he created them he believed in no release from pain: he believed only in life, in bitter, unsolved life. Now, he believed in the communist solution, the communist answer to all questions. He was a saintly man, perhaps a great man. But what he was giving to his rapt audience was sugar water.

Moscow has only two great newspapers, Pravda and Izvestia: organs of the Communist party and of the Politburo. There is far less variety of opinion in the public press today than there was in the darkest Tsarist days. But this is not due to communism, it is not due even to the war psychology which the Union with its encircling foes must foment: it is due principally to the want of a tradition of free speech in Russia. If there was more freedom at certain epochs of the Tsars the reason is that there was less efficiency or less need to enforce official opinion. If there is no freedom of speech today, the reason is that a people is not revolutionized in fifteen years, even by the profoundest of revolutions.

I explained to a young Communist one day (a bright student of Edison destined for a mechanical career) that in the New York papers every morning one might find every possible shade of judgment on all possible subjects. He shook his head, as if I had revealed an amazing flaw in American efficiency.

"I don't see the use of it," he observed. "Every problem has a right answer. It seems to me the press would be serving the people a lot better if

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they found out each day the right opinion on each important subject, and printed only that. What is the sense in printing a lot of different points of view, when only one *can* be right?"

Intellectual absolutism, and the acceptance of it, is engrained in the average Russian. But perhaps the want of that flabby relativism which goes by the name of liberalism in the West and which is so often nothing but a want of conviction, is not an unmixed evil.

The Russian's proneness to regimentation is a mental habit, arising from centuries of living less in a society than in a cultural herd; it is undoubtedly one cause for his emotional acceptance of the Soviet regime. I saw a pretty symbol of this trait, one evening at the Opera. During the entr' acte, the audience (workers, students, petty officials) went into the foyer. Quite unconsciously, *they fell into line* and began to circle round and round the large hall, in order!

Because of these inherent Russian traits, the intellectuals and the intellectual arts of the U.S.S.R. are in a peculiarly dangerous position under a proletarian dictatorship which encourages (and makes effective) the habits of the masses.

WALDO FRANK.

Von Papen at Lausanne

THAT Germany must rely on the good sense and astuteness of its present Chancellor to solve its problems, is unfortunate for the fatherland. By his past, Herr von Papen has demonstrated that he is hardly the man to strike a good bargain for his clientele. It is not surprising that the Lausanne arrangement is being called another example of his bad judgment. His pledge that Germany would pay three billion marks—a promise that is meeting opposition throughout Germany—after Brüning had practically convinced the Powers and the experts of the Basle investigation commission of Germany's inability to pay, must have come as an agreeable surprise to his adversaries around the green table at Lausanne.

On the whole the American public is probably more fully informed concerning the qualifications for leadership of the German Prime Minister than is his own nation, where a rigid war censorship tabooed the mentioning of the American adventures of this modern Sancho Panza. His return to prominence brought a repetition of this injunction. The German newspaper that dares to refer to the American career of the present Chancellor faces suppression.

Despite the high honors that were heaped upon him by a defunct monarchy, von Papen had thoroughly alienated the sympathies of a large number of German-Americans by the stupidity with which he sacrificed men and money for the alleged good of Germany during his official connection with the German Embassy in Washington. In April, 1920, The English Review published a letter written by a German residing in New York to a prominent grain importer in Hamburg shortly after von Papen's involuntary departure from our shores. This letter, which was intercepted by the British, so well characterizes his adventurous activities that it is well worth repeating here, particularly since his more recent flyers into the field of international diplomacy show that the old von Papen still lives.

> . . . von Papen's career closed with quite a disaster. He was charged with being implicated in many munition-factory explosions to the extent of having furnished the money for procuring materials and having instructed the persons concerned. It appears, too, that really childish arrangements were made of which everyone capable of forming an opinion must have known that they would not be of the slightest benefit to us, arrangements which, if they went askew, must result in great injury. I refer particularly to the destruction of the Welland Canal, and the attempt to destroy a railway bridge in Canada; even if both of these had succeeded, there were many other ways of transporting wheat to the seaports, and the destruction of the bridge, too, could only have upset traffic for a few hours. Both attempts ended in absolute failure. . . . All that, however, might have been forgiven, for no one can assure success in such matters, if von Papen's stupidity had not continued on leaving this country. I refer to his carrying of compromising documents despite the stipulations in the pass taking him through the British lines, that only his person—neither letters nor other possessions—would be inviolate. He had been instructed by Count von Bernstorff to take nothing with him, and his friends had urgently given him the same advice. Yet as the British told von Bernstorff afterward, this man of misfortune had whole archives in his possession, and, above all else, checkbooks in which he had naïvely noted in plain language the names of all those who had received money from him. There were, moreover, a whole series of compromising private letters. . . .

This experience should have taught von Papen caution. He knew that his checkbooks had brought about the arrest of some forty-odd of his trusting tools and that the incriminating evidence found on his person had sent more than a score of his lieutenants to prison for many years. Yet shortly afterwards he repeated this performance in Nazareth, whence he had been ordered for special service in Palestine on the German-Turkish front. When the Egyptian Expeditionary Force under the command of the British General Allenby made its successful

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attack on the German-Turkish lines in the early morning of September 19, 1918, the advance troops, reaching Nazareth, which was the headquarters of the Supreme Command on the Palestine front, found a working party of Germans busily engaged in destroying papers. Though much had been demolished, even more remained. Among the debris there was a square wooden box, a converted ammunition chest fitted with hasps and a lock, bearing the words "von Papen" burnt in on one of its sides.

This box was found full to the brim with private and official papers, the owner being Captain Franz von Papen of the Prussian Guard. He was evidently a voluminous correspondent. Not many of his drafts were found in his box, to be sure, but replies from friends and relations, extending over three and a half years, were there in profusion. To his habit of preserving those letters which were marked *"bitte vernichten!"*—please destroy—the British Intelligence Service was indebted for much valuable information.

After the end of the World War von Papen entered practical politics as a member of the Centrist (Catholic) party. From the start he was an outspoken monarchist. He belonged to that extreme right wing of this party which opposed the Christian Trade Unions, controlled though they are by the Centrist party, holding that there is little to choose between such labor organizations and those dominated by Socialists and Communists. A man of great wealth, von Papen became associated with a group of big industrialists under the leadership of Rechberg which worked for closer affiliation with France and discouraged friendly relations with England. A recent issue of The Tagebuch (Berlin) quotes from the minutes of a meeting of the "Herrenklub" held on February 27, 1931, in which von Papen played a leading part. The Herrenklub is an organization with about twenty branches in Germany which espouses the cause of feudalism and condemns the democracy that the French Revolution of 1789 brought into the world. It aims at the restoration of feudal institutions, denies that there can be a community of interest between master and serf and maintains that those born to the purple must become once more the rulers of the universe, rejuvenated by the more recent blue-blooded monied aristocracy. At the above-mentioned meeting von Papen, then a member of the Prussian Diet, reported on a visit by a group of eminent German Catholics to Paris in response to a similar visit to Berlin of influential French Catholics in the previous year.

> During our visit, [von Papen reported] political and economic questions were discussed at length. French capital is evidently seeking investment opportunities for the gold that is piling up in that country. On the other hand the prudent Frenchman is not favorably inclined toward investments in agricultural or municipal credits in Germany. . . . French capitalists seem interested in a proposal to finance the development of southeast Europe with French capital. [illegible] was considerable criticism of the friendly attitude of political Germany toward Soviet Russia. Under all circumstances the granting of long-term credits to Germany would depend on a definite understanding on all questions of political import that concern both countries. In this connection particular reference was made to the need of a German-French-Polish alliance. It was emphasized that Germany would have to postpone its admittedly just claim on its eastern border for the present, since Polish sensitiveness on this point precludes a peaceable solution at the moment. In effect this alliance, to be known as the *"accord à trois,"* is to be an economic alliance directed against the Russian Five Year Plan which is generally regarded as a menace that may ultimately destroy our European economy.
>
> Under an alliance of this sort, the French could be brought to look with favor on increased armaments for Germany, for they appreciate the intolerable degradation of our present position. It would be extremely unwise, therefore, for Germany to appear before the Disarmament Conference next year with its time-worn thesis: we have disarmed, it is up to you to follow suit.

In the discussion that followed von Papen's report, the industrialist Rechberg fully corroborated his point of view. He called attention to the fact that Germany and France are already closely allied industrially through working agreements between their chemical and their heavy industries, so that a political and military understanding between the two countries has become a necessity. Once this has been accomplished, France will bring pressure to bear on Poland to force it to accede to Germany's just demands. Another member, von Janson, explained that such an *"accord à trois"* would be valuable only if the three allies were to form a real bulwark against Bolshevism. This would not be the case, he believed, in half-Bolshevist Poland, a fact that should not be left out of consideration in discussions of this subject.

In summing up the discussion, von Papen expressed the conviction that nothing was to be gained by reliance on England, that country being itself dependent on French capital. America would not enter the picture as a decisive political factor until after the next presidential election. The solution of pressing European problems must depend on France and Germany, an arrangement in which France insists on including its Polish ally. The *"accord à trois"* is an absolute necessity from the point of view of the struggle against Bolshevism. . . .

What the Junker von Papen promulgated in his feudal Herrenklub more than a year ago, Chancellor von Papen strove to put into effect by his Lausanne conversations with Monsieur Herriot. He tried, in other words, to buy peace in the West at the price of war in the East, to accomplish the militarization of Germany with the blessing of France and to reëstablish once more the old Junker order as it existed under the Hohenzollerns.

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ure at Lausanne. He had hoped that concessions by Germany on the reparations question would open the way to a political understanding with France, the advantages of which, from his point of view, would more than outweigh monetary considerations. Furthermore, it is apparent that von Papen, once more misjudging a crucial situation, allowed the negotiations between Herriot and MacDonald to deceive him into expecting that the former Allies would be prepared to concede Germany's right to arms equality and the removal of the war-guilt clause from the Versailles Treaty.

The von Papen government will, in all probability, be short-lived; the election of July 31 will make quick work of the present Cabinet, which has not and cannot obtain a majority following in the Reichstag. But, win or lose, the von Papen of 1932 has not changed from the man who played so dangerous a game in 1915. With the same reckless frivolity he is preparing to drive the world into a new war. With the same disregard for consequences he is embarking on a program of adventurous international alliances which must lead inevitably to catastrophe. LUDWIG LORE.

Progressives at Cleveland

THE TERM Mugwump has passed out of our political vocabulary along with Barnburner, Locofoco and Know-Nothing. It sprang into use to designate the group of liberal Republicans headed by G. W. Curtis, Henry Ward Beecher and Carl Schurz, who refused to bow the knee to Blaine in 1884. In personnel and attitude they find a parallel in the League for Independent Political Action, which met at Cleveland, July 9 and 10, under the presidency of Professor John Dewey, with Oswald Garrison Villard marking the hereditary character of the movement.

The difference which a half-century has wrought is in the situation confronting the advocates of "good government." In 1884 their protest was directed against incursions of business into politics, such as that of the Credit Mobilier, the open purchase of votes, humorously discussed by Vice-President-elect Arthur after the election in his "blocks of five" speech, or the corruption of administration represented by the Star Route frauds. The evils were matters of politics in the superficial sense, a skin disease which demanded only a local application to allay the itch. A corrupt-practices act and civil-service reform were the accepted cures. The situation which confronts the reformer of today is infinitely more complex, infinitely more menacing. The relation between government and people has become a vital one. By virtue of the domination of business, the welfare of the people is strictly in the hands of the government, which is the broker between the two. It is not too much to say that thousands of men, women and children are starving, and more and more of them are dying every day, because of the action or inaction of a government whose functions are chiefly concerned with the protection of privilege.

The difference between those days and our own is symbolized by the comparison between the short and simple platform of the independents of 1884 and the long list of measures put forward last winter by the L.I.P.A. and discussed in The New [illegible] their[illegible]. "It is the task of the League," said Dr. Dewey, "to educate the American public to funda-

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the therapeutics of the reformers. The question before them at Cleveland, "Can the People Take Power?" was whether the public patient can be induced to condition itself by a diet, to swallow these decoctions, to rebuild itself in sanatorium and gymnasium, or whether the resort will be to the knife.

The gathering at Cleveland offered the greatest possible contrast to the conventions of the parties which it is the purpose of the L.I.P.A. to challenge. There were in attendance something less than a hundred delegates, with a gallery of three to four times as many sympathizers. It was an earnest body of men and women, confronting a situation the seriousness of which they fully realized. There was a deep response to Professor Dewey's keynote: "We are in a crisis the greatest anyone living in this generation has seen, a crisis of the world and this nation which demands the most serious thought and the creation of the most thoroughgoing and constructive processes." Among those processes he marked two as of immediate importance, both within the competence of government: the control of credit, now in the hands of greedy and incompetent bankers, and the rectification of the incredible inequality in distribution of the national income. The failure of the present administration to meet the situation was sharply scored. Mr. Villard referred bitterly to the fact that "it had $80,000,000 for Charlie Dawes' bank, drawn from the Reconstruction Finance Corporation a few days after Dawes resigned as its president, but there is not one federal cent for a starving American citizen." Apart from other considerations, the conference justified itself as a place where intelligent critics of government told the truth about the rulers of this nation. Such criticism was salutary, and it was constructive. Conviction of sin is a necessary condition of salvation.

The conference held to its declared program of political education necessary to prepare the people of a democracy to assure the power constitutionally

mental economic realities and a new political order, so that the spirit of democracy may have a rebirth." The conference had no intention of launching a new national party at this time. Almost at its inception, the League adopted the policy of working with local independent political movements to obtain at least a few representatives of principle as opposed to party. Miss Lillian Herstein, who gave the conference a vivacious account of the tax muddle in Chicago, was endorsed as a candidate for Congress in in the Second District of Illinois, on the local Farmer-Labor ticket. Congressman Kvale, representing the same party of Minnesota, was cordially received when he spoke upon the role of the progressives in Congress. The conference endorsed for President Norman Thomas, the candidate of the Socialist party.

From one point of view it is fortunate for the League that there is already in the field a candidate who represents so perfectly the social and political philosophy of its members, whose personal integrity and disinterestedness are so complete. From another point of view this circumstance is perhaps not so fortunate. It was felt by some of the more militant members that it provides an easy way for intellectuals to escape the necessity for action. It may be asked, of course, what else the League could do. Its goal is the creation of a united front for democratic control, similar to the British Labor party, in which the Socialists will be an active principle. The British Labor party had the organization of trade unions to draw upon. To mention labor today in connection with a new political party is to laugh. One of the disappointments of the conference was the failure of William Mahoney, long-time labor leader in St. Paul and lately elected mayor of that city, to appear. The Farmer-Labor party of Minnesota has resorted to fusion; its votes on the national ticket will go to Roosevelt, in return for local support.

The value of the vote for Thomas next fall, apart from the possibility of carrying a few congressional districts, will be in its protest against the present operations of political government. Only by the negative force of fear will it be able to effect any immediate changes. A promise that a third party will be a serious contender in 1936 will be the most salutary result of the campaign of 1932, not only in consequence of the deterrent fear with which such a prophecy may strike the predatory forces now in control, but by virtue of the hope which it will give to the masses everywhere whose faith in the democratic process is almost gone. The League has a function preliminary and superior to its task of education—it is one of inspiration and encouragement. "By hope we are saved," said the apostle.

It would be futile to deny that a certain atmosphere of pessimism weighed upon the conference. The prophecies of a bi-partisan dictatorship of business before the summer is over suggested that the time for the accomplishment of its aims was short. The remark was occasionally heard that perhaps this was the last time we should be preparing to elect national officers under the Constitution. These fears are doubtless exaggerated. What is more likely is that violence and bloodshed will increase during the summer under the stimulus of want and the provocative tactics of the authorities, that the troops will be called out and that the campaign will eventuate in Hoover's bidding for votes as the champion of law and order against all his opponents, Foster, Thomas and Roosevelt all being indiscriminately labeled Reds. In standing for civil liberties and the democratic process, especially in resisting attempts to disfranchise men because they are unemployed, and to force minor parties off the ballot with or without the color of law, the L.I.P.A. will find a part to play in the coming compaign and election active enough to satisfy the most aggressive and militant of its adherents.

Cleveland. ROBERT MORSS LOVETT.

An article by Dr. John Dewey, analyzing the results of the Cleveland convention, will be published next week.—THE EDITORS.

Washington Notes

Republican Hopes Realized — The Prohibition Planks—Pleasing Both Parties—Publicity Directors—The Unhappy Warrior

IT IS interesting these July days to contrast the contradictory views concerning the result of the campaign among the politicians who drift in and out of Washington. What particularly interests me is the dogmatic opinions as to what the country will do in November which have been issued by men who do not even know what their own congressional districts will do. It seems to me there has been no campaign in a great many years where the currents were so unpredictable and the outcome more uncertain. This, however, does not lessen the confidence of the so-called spokesmen on both sides.

One reason for this, I think, is the curious fact that each of the national conventions did pretty well what the opposition hoped it would do. Naturally, this has inculcated the belief in each party that victory is assured. For example, I think it will be agreed that if Mr. Hoover could have dictated the action of the Democratic Convention, he undoubtedly would have insisted upon the nomination of Roosevelt for President, that he would have strongly favored Garner for Vice President and advocated an unqualified Wet plank for the Democratic platform. Long before the convention, the administration hoped for the selection of Roosevelt. As to Garner for running-mate, that to the administration leaders seemed an extraordinary piece of luck. It not only, so they consider, loaded the Democratic ticket with the man whose record as Speaker on taxes and economy had shocked the country, but linked the whole Democratic team up with the names of McAdoo and Hearst, the mere mention of whom makes the hairs on the necks of the Eastern business men bristle with regret—

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As to prohibition, the Republicans could have asked nothing better after their straddle plank, designed to placate the Drys and keep the Wets in the party, than a Democratic dive into the unconditional-repeal pool. The contention is that this plays the Republican game, is attractive only to the extreme Wets and presents the opportunity to brand the Democrats as the saloon party. The branding has already begun and literature is being manufactured to cut both ways. One set of pamphlets, I am told, will point out to the Drys that should the Democrats win, the saloon could and would return and unrestricted sale and transportation of liquor be permitted. The other set, directed to the Wets, will assert that the Republican plan is the only practical way of getting legalized liquor, because the Democratic unqualified-repeal proposal would certainly not be ratified by thirty-six states. Thus, say the Republicans, the Democrats have proposed an impractical program which means the indefinite continuation of the Eighteenth Amendment in its present form and with all its attending evils.

Aside from the note of alarm which will be sounded about swapping horses while crossing a stream, this will be the main line of attack. The Honorable Mr. Sanders, new national chairman, is all steamed up over what he sees as the door the Democrats have left open in the Wet and Dry business. In the states of Ohio, Indiana and Illinois, in Tennessee, Missouri and Kentucky, he plans to saturate the people with these arguments. Mr. Sanders, you see, is an old Indiana politician who has played anti-saloon politics for years in that state and thinks he knows how to utilize this swing of the two parties away from prohibition to the best advantage. There is, I concede, a chance here for clever work, but Mr. Sanders never seemed to me subtle enough for this sort of strategy. I remember him first as a member of the House and then as secretary of the amazing Mr. Coolidge. In both jobs he made the impression of an earnest, well meaning, but not very bright boy. As chairman, he will be assisted by, which I suppose really means dominated by, Mr. Ray Benjamin of California, one of Mr. Hoover's close personal friends and acclaimed by some as an astute political manipulator. Perhaps between them they can make this double attack on the Democratic Wet plank effective, but it is my opinion that this is the sort of thing they should leave to gifted fellows such as George Moses of New Hampshire and the ubiquitous Slemp of Virginia.

While it is true that the action of the Democratic Convention pleased the administration, it is just as true that the Republican Convention appealed to the Democrats. For instance, they could have asked for nothing better than forcing upon an extremely reluctant, not to say rebellious, convention, the nomination of Charles Curtis. To those who kick about Garner, all a Democrat has to ask is, "Well, isn't he better than Curtis?" There is no answer to that. The administration's insistence upon this seventy-two-year-old political hack from Kansas was exceedingly stupid. It throws away a chance to strengthen the ticket and gives the Democrats an effective argument. The possibility that Mr. Curtis, through an act of God, might become President of the United States is an even more appalling thought than the similar possibility of "Cactus

Moreover, the manner in which the federal machine dominated that Republican Convention, with the presence there of six Cabinet members and more than 400 federal office holders, was almost unprecedentedly brazen. It gives the Democratic spokesmen ammunition which will be used all through the campaign. And while there is a Democratic tendency to feel that perhaps they went too far in that Wet proposal, certainly the cloudy language of the Republican plank is a big help. It is so plainly an effort to catch votes from both directions and has been so curiously construed as both Wet and Dry that it ought not to be very hard to make it unpopular with both sides.

What the campaign will narrow down to, I think, will be a contest between the publicity directors, and here the Democrats have the better of it. The Roosevelt management, while casting the Raskob-Shouse combination into the discard, has had the good sense to retain Charlie Michelson. The Republicans have no one to match him either in skill or experience. In my opinion the publicity director in a presidential campaign is vastly more important than the chairman of the National Committee. Four-fifths of all the money raised by each side is spent in publicity and always has been. Realizing the importance of this, some of the smarter among the Republican leaders are searching for a man to offset Michelson, convinced that however amiable and lovable Henry Allen, who is Hoover's choice, may be, he is inadequate for the job ahead. The trouble is that there are very few Michelsons loose. An approach has been made to several members of the "corps of correspondents," but the really good ones are either tied up to jobs they cannot afford to surrender on the chance of a Hoover victory or are anti-Hoover.

Al Smith's declaration in support of the Roosevelt ticket has been made. It was inconceivable that Smith would not be regular, though his lack of enthusiasm is complete. The noble Al bitterly disappointed his closest friends at Chicago and has suffered enormously in prestige and political importance. Reports persist that he will run for mayor of New York, but I do not believe them. I have always been convinced that the one likely thing for Smith to do would be to run against Copeland for the Senate in 1934. At the present moment his stock is so low that his chances even for the Senate do not seem so good as they once did.

Eventually the New York situation, so far as the Democrats are concerned, will shake down and settle. The Walker case will be forgotten long before the campaign is really hot and, contrary to the general belief, I do not think it will affect the result materially. The Tammany organization is a cold-blooded machine, and once Walker is out, its concern will be to retain its hundred thousand and more men on the city pay rolls. It may treat Roosevelt in New York City as it did Cox and Davis, but Walker will not be the reason. I think the keener political brains of the campaign will be on the Democratic end, and that Roosevelt will make a real campaign. Whether he can win is a question no one is competent to answer, but certainly no candidate ever did a more effective thing than that dramatic flight of his from Albany to Chicago to accept a nomination. Otherwise the convention would have ended on a very sour note indeed.

Washington T. R. B.

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Not on the Ticker Tape

THOUGH a professed opponent of socialism, President Hoover in his official acts and recommendations has gone far towards getting the government into business. Through the Federal Farm Board, he got it strongly into the business of speculating in wheat and cotton—and, in keeping with the times, the government has had to express its profit and loss in red ink. The President also sponsored, in the Reconstruction Finance Corporation, a vast experiment in state socialism in banking, and created an entering wedge for Speaker Garner's insistence that the Corporation should extend its activities beyond loans to Mr. Hoover's "select clientele."

To the nonpolitical observer, it is obvious that public funds were introduced into the banking system because private agencies, through fear or actual weakness, ceased to function normally in the credit field. When private agencies default in time of trouble, the people instinctively turn to government, which for all its defects is nevertheless a continuing agency.

And talk about a pork barrel! The Reconstruction Corporation has become a vast trough into which needy bankers and railroads and others have been dipping their snouts. Though all who receive aid are giving collateral, it should not be forgotten that the collateral for the most part is such as has been unacceptable to private money lenders. Accordingly, the corporation may be expected to come out whole only if in the near future there is a decisive upturn in the economic situation, which will automatically heighten the realizable value of such frozen collateral. In discussing this phase of the financial situation with me, an executive of the Reconstruction Finance Corporation said that it was making loans to railroads in the belief that there would be a sharp come-back in business conditions, whereas private money lenders were actuated by present conditions.

From a philosophic standpoint, it is difficult to fit in the conception behind the Reconstruction Corporation with the doctrine of "rugged individualism." It seems to function in the spirit of tender paternalism towards needy corporations. In a sense, it pampers the inefficient—the less soundly capitalized and less ably managed companies. In the light of its activities, the eagerness of the administration to keep all expenditures for the relief of unemployed human beings on strictly sound business lines seems strangely ironic. Of course, the official view is that, if you support weak companies and keep them out of the receivers' hands, all will be well with the country—and employment will be automatically restored.

The emergency banking set-up was felt necessary because the contraction of credit had taken place more rapidly than any business structure could stand. A month after the Reconstruction Finance Corporation bill was signed, on January 22 last, the Federal Reserve System, with its powers widened by the Glass-Steagall bill, started out on the boldest, most ambitious credit-expansion adventure in the history of central banking. The quest for counter-deflation included the purchase of a billion dollars in government securities. Unfortunately, the move was tardy [illegible] of the present policy, was held back by the reactionary fears of the other regional banks, and by the politically conscious board. A year ago a similar gesture might have averted part of the latter-day economic collapse.

Before the panic, the New York bank, with its superior board of directors, wanted to clamp on the brakes, but was restrained for months by the board at Washington. Then, with the situation reversed, the New York bank was delayed on the credit-expansion program. On account of the poor timing, the present maneuver is handicapped by bad banking psychology. Bankers have thus far preferred to pile up excess reserves, which get them nowhere, rather than acquire interest-bearing loans and investments, which of course entail business risks. Under our present economic set-up, business cannot function normally without risk-takers—and that group is at present absent without leave.

Accordingly, the drastic shrinkage in bank credit has continued right up to the present time, in spite of emergency reflationary measures by the government and by the Federal Reserve System. With the cessation of the gold outflow and the vast reduction in member bank borrowing, there is reason to expect the Reserve Bank policy soon to become more fruitful, if it is courageously adhered to.

Since the Reconstruction Finance Corporation bill became law, there has been a further decline of $1,298,000,000 in loans and investments of member banks, and a net decline of $852,000,000 since the new expansionist policy of the Federal Reserve System was launched on February 24.

That the end of such ruthless deflation may be near was suggested by the fact that the member banks in the New York district, which are most sensitive to changing fundamental conditions, in the week ending June 29, reversed themselves, and showed a net gain in loans and investments, while the decline continued in banks outside of New York. The situation outside of New York was, naturally, aggravated by the banking crisis in Chicago—a crisis which went almost completely unreported by the daily newspapers of the country, at least until it was over. Their theory, of course, was that of not shouting "Fire!" in a theatre—a theory which may or may not be justified. Certainly in this case a lot of people smelled smoke, and spread rumors far worse than the reality which the press withheld.

One of the larger Loop banks was temporarily embarrassed by a silent run, which was checked when a bucket brigade from the Reconstruction Finance Corporation brought succor. The withdrawals, it is understood, were primarily by large depositors. The story is going the rounds that the crisis was precipitated by carelessness in rejecting a loan application from a female member of one of the wealthiest families in Chicago. According to the legend of La Salle Street, a family conclave was held, and the family took its liquid millions out of the haughty bank. If the tale is true, it ought to be a warning to other bankers with wealthy female depositors. Perhaps it is safe only to squeeze the impecunious and the friendless.

The Chicago banking situation was aggravated by the rigid Illinois law against branch banking, under which many ill managed small unit banks were set up. On ac-

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sion. Landlords in a few instances, however, have let such marble-equipped palaces to undertakers.

Chicago has been a chief citadel of the depression, reflecting fully the unsatisfactory condition of the great agricultural Middle West. Furthermore, the breakdown of city finances—and the stoppage of pay rolls to city servants—has given special acuteness to the business situation in that city. Merchants and manufacturers, newspaper advertising and the whole interrelated chain of business and finance have suffered from the civic collapse. In the circumstances, it can be understood why Julius Tannen, professional master of ceremonies, recently introduced Big Bill Thompson, former mayor, at the College Inn night club as the "biggest bill" Chicago ever had.

The congressional proposal to "soak the rich" is becoming somewhat academic, for many of the rich have already been ruthlessly soaked through a capital levy in the form of a decline of 80 percent or more in stock prices. As Charles M. Schwab recently remarked, most rich men are now afraid to look at their ledgers—unless they were "short." The president of a great industrial company, who privately specializes in true talk, told me that seven out of ten of the rich men he knows are in hot water.

The roll call of the deflated would make a long and dismal list. The great music patron and communications king is reported to have found his Long Island estate a dispensable luxury.

One of the chief Maecenases of the theatre has suffered serious financial shrinkages.

A family whose name in the railroad field has been synonymous with great wealth showed, I understand, no net taxable income whatever for 1931.

A couple of latter-day railroad kings, who were widely heralded during the bull market, probably hold a record for the magnitude of the shrinkage in their estate.

The family who are lords of the powder industry, through their vast stake in General Motors, are conspicuous as having taken deflation on the chin.

The individual who used to be described as the largest single owner of railroad stocks has found the distinction especially costly.

The recent announcement of important structural changes in the organization of Lee Higginson and Company, who were bamboozled by the late Ivar Kreuger, looked on the surface like an admirable parliamentary decision to withdraw from the field on account of impairment in prestige. But a cynical lawyer tells me that the substitution of a corporation for the present firm, and other technical changes, were downright smart from a legal standpoint, in view of the fact that some malcontents, who went down with Kreuger, will doubtless seek retribution in the courts.

Speaking of Lee Higginson, and its adventures with Kreuger and Gillette Razor, reminds me that someone in Wall Street has been cheering himself up during the depression by inventing a little story about them. According to this tale, a solicitor approached the firm to sell them group insurance on all employees, and the deal went [illegible] representative said

"I don't know," said the insurance man. "I'll go back to my office and find out."

Next day he came again. "I'm sorry to say that the partners can't be included in your policy," he said. "My office says that they haven't yet learned not to play with matches or razors."

Just a story. After all, Wall Street men have to do *something* with their time. L. M. N.

Charles E. Ives

LAST February, the Pan-American Association of Composers gave an important concert at the New School. The program included two momentous first American performances. Besides the fiery, pungent little "Energia" by Carlos Chavez, it presented the "Set for Theatre Orchestra" of the little-known composer Charles E. Ives. Naturally, the "great newspapers" were entirely without representation in the audience. Not even one of the third or fourth musical critics, those who sign grudging little reviews with cryptic initials, was there. For musical news is constituted for the "great newspapers" not by the event of a man going mad and biting a dog, but by a dog going mad and biting a man: by Toscanini's performance of the Ninth Symphony, not by the revelation of the presence of another first-rate talent and great man in the group of living American composers. Yet that was one of the chief effects of the concert. No one present could longer doubt the position of Charles E. Ives in the company of the creative American artists.

It had previously been recognized by the spirited young musicians responsible for the more general acknowledgement now tardily accorded to Mr. Ives, and for the productions given a few of his works. But this recognition had been so esoteric, and the performances so infrequent, and the works presented so very fractionally representative of the mass of Ives's product, that to the public of amateurs both his place and figure perforce remained vague and indeterminable. Even the production of the "Set for Theatre Orchestra" did but press back a little the mist covering the great mass of the composer's pieces.

Four symphonies, the first two of which are in strict conventional form, three orchestral suites, two cantatas, three violin and two pianoforte sonatas, two overtures, a string quartet, three quarter-tone pieces and upwards of two hundred songs form the body of it; and we in New York have so far been given to hear, besides a few of the songs, only two of the orchestral suites and two movements of the Fourth Symphony. And only a relatively few of the other pieces, the cantata in Markham's "Lincoln," the second piano sonata, a collection of songs and a few other works, are accessible to students in print or photostat copies. Still, the impression given by the "Set for Theatre Orchestra" was so strikingly analogous to the impressions left by the compositions of Ives previously performed, that the great place assigned him by the series of experiences may quite reasonably be conceived to be his own.

It is doubly distinguished. For one thing, it is the honorable place of the pioneer in atonality. For Ives, was born in 1874, was writing in uncompromising dissonances as early

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orchestral pieces originated. And the atonal passages in Mahler's symphonies were composed later than that time. And the famous "Three Pieces for Pianoforte" of Schoenberg was published only in 1911. Ives's experiments in polyharmony actually antedate the century. While he was still a Yale undergraduate and pupil of Horatio Parker's, he began a composition for the organ with a chord in D-minor superimposed on one in C-major. The effect is said to have robbed him of the, at their warmest, somewhat frosty sympathies of our Orazio Vecchio. And these innovations were not theoretical, but products of necessity. For Ives is an American with an immediate relationship to the medium of music. The freshness of his thematic material proclaims it; and the sureness of his grasp of the expressive power of the melodic interval.

Simultaneously with his occupation of the place of the pioneer atonalist, he fills the even more enviable position of one of the few originally gifted composers of impressionistic or descriptive or imitative music borne by America.

It is possible that acquaintance with the whole of Ives's music may alter one's impression, and show the whole work more comformable to the absolute and classical category. The chance seems slight, since a preponderance of traits in both the symphonic and programmatic works already revealed to us points to the descriptive, the imitative, the literary, bent of his inspirations. One of the chief characteristics of the music of Ives is the inclusion of traditional melodies, with something besides purely musical intention. The composer has not only modeled many of his wonderfully fresh melodies on the peculiar inflections of American hymn tunes and dance tunes, Negro chants and ragtime. He has planted "The British Grenadiers" bodily in the orchestral pieces called "Putnam Camp"; given the horn in "In the Night" a minstrel-show melody to sing; introduced patriotic tunes into the savagely sardonic song "In Flanders Fields"; quoted a theme from "L'Apres-midi d'un Faune" in the setting of Rupert Brooke's "In Grantchester." And these themes and the hymn tunes in the Fourth Symphony and the fiddler music in "In the Inn," are used for their extra-musical associations, their representative values. "The British Grenadiers" stands, for example, for revolutionary America, which sang it in superb in difference to its text. The Debussy quotation illustrates Brooke's lines:

> And clever modern men have seen a Faun
> A-peeping through the green.

The hymn tunes in the symphony represent an otherworldly attitude toward this life.

Again, the three pieces comprised in the "Set for Theatre Orchestra" are definitely descriptive or imitative or, at the very least, atmospheric in intention. The dissonant, dumb, smothered pages of "In the Cage" express the state of a captive animal and, by extension, the state of caged humanity. The wildly modernistic potpourri "In the Inn" conveys an impression of the old countrified song and dance meetings. "In the Night" is a magical mood-painting, in the spirit of impressionism, although couched in a sharply autochthonous idiom. The more ambitious suite, "Three Places in New England," actual cause of the present writer's conversion to the Ivesian faith and his happy conviction of the composer's possession of creative forces [illegible] even more deliberately descriptive, as the very specific titles of its subdivisions may indicate. The first section is called "The Shaw Monument in Boston Common"; and the slow, fuzzy, gentle music, built of what appear to be reminiscences of plaintive Negro chants, is long in getting under way, and straggles and lingers, and after a momentary mobilization, dies off on an interrogatory phrase of the piano. One not only thinks "the Negro," but "the developing American mind." The second section is named "Putnam Camp," and represents conflicting band music. A commonplace waltz is jumbled with a foxtrot; the second band marches up at a tempo 25-percent faster than that of the first band; the piccolos shrill "The British Grenadiers"; and the America of fact and the America of revolutionary legend march away together in horrid polyharmony. The third section, "The Housatonic at Stockbridge," which is the hero of the suite and easily one of the freshest, most eloquent and solid orchestral pieces composed in America, transcribes in polyrhythms the movement of the great river in its vernal expansiveness. The violin solo continuously plays a rhythm independent of the orchestra's. The atonal and polytonal figures of the other violins contrast with the tonic harmonies of brass and woodwind. The cold fresh music develops into a sonorous cataract, and dwindles in the muted violins like water flowing away into distance and futurity.

As for the "scherzo" of the Fourth Symphony, Ives himself prefers to call it a comedy rather than a scherzo; indeed, it appears a sort of musical parallel to Hawthorne's "Celestial Railroad." The music contrasts an exciting worldly progress through life with the toils and tribulations of the Pilgrims in their marshes and rough places. Incidentally, the piece furnishes an excellent example of the combination of folkloreistic American music with a barbaric sonority very frequently found in Ives's orchestral works.

It is even possible that Ives's early espousal of the principles of atonality and polytonality is due to the strongly imitative inclination of his eminent talent; and that the experience in nature of models of dissonant tone was prerequisite to his compositions. True, his father, his first teacher, was a ceaseless experimenter in acoustics, and worked out a quarter-tone instrument; and the composer probably inherited his conviction that only a fraction of the means of musical expression were being utilized. While still an undergraduate, Ives himself experimented with unusual chord structures, exotic scales, harmonic rhythms and other revolutionary effects, and tried out his innovations with the help of the orchestra of the old Hyperion Theatre in New Haven! Still, it appears that it was while listening to the humorous musical distortions of church organists, village bands and itinerant fiddlers, that his imagination was actually touched by dissonant idiom. And it is in the form of imitations of the sounds of life, those produced by clashing bands and Fourth of July celebrations, as well as by "natural" causes, that certain of his happiest atonic and polytonic effects come to us.

One effect of this anticipation of a worldwide movement, and a grisly one at that, is to be read from the postscript contributed by Ives to the privately issued collection of a hundred and fourteen of his songs. The tone bears witness

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defiant, and altogether self-conscious, like that of a man who has found no support and anticipates an unsympathetic reception, and feels continually forced to explain and to justify an occupation which under normal conditions requires no explanation or justification. The miracle is that Ives persisted in composing. Lucky for him and us he was a business man, the manager of an insurance company! In the nineteen-tens, there was no preparation for him in Europe. What the conditions in America were can be gathered from the fact that only a few weeks ago, long since the Schoenbergs and the Stravinskys and the Hindemiths have demonstrated their particular mastery, Professor Daniel Gregory Mason publicly vented the opinion that those composers who wrote atonically or polytonically did so merely because they were too unendowed to be able to compose in the old dramatic forms!

But Ives had to give an integration of many hitherto disparate layers of American experience, through the medium of tone. And Wagner and Strauss and Debussy had shut behind them the doors through which they had passed, once and for all time.

It is precisely for his utter faithfulness to spirit that we rejoice in and honor him today.

PAUL ROSENFELD.

CORRESPONDENCE

The Case of Hart Crane

SIR: In a recent editorial on the "Death of a Poet" [The New Republic, May 11], you suggest (among other interpretations) that the motives for the suicide of Hart Crane might be explained from a social point of view. You begin such an analysis, but do not carry it to a logical conclusion.

You point out that Crane would have liked to identify himself with a great tradition and a great society, but "the tradition and the society were lacking." This is an irrefutable fact. But it resolves only the first part of the problem. The more basic aspect of the question is, Why has existing society produced no enduring literary tradition?

Perhaps the answer was too obvious to require explicit statement. Expressed briefly and baldly, contemporary society is corrupt and decadent and has produced a corrupt and decadent esthetic tradition.

Bourgeois civilization has nurtured the conception of the artist as a detached, isolated genius. His aloofness from the dull affairs of "every-day" life has been accentuated. The notion that he is "above" such petty matters has been fostered and encouraged. Not only has this rendered him *hors de combat* on the social front, but it has had a pernicious effect on his life and his art.

The artist has been taught to cut himself off from the world. He has scribbled his verses or painted his nudes away from the rabble. He has shut himself up in his ivory tower or (if he belongs to the lower classes) in his blackened garret. He has grown up in shaded rooms or bohemian hovels, has found his nourishment in absinthe or rotgut whisky. His art has blossomed out of sex perversion and dipsomania. It has been fertilized by thoughts of despair and death. It has grown in upon itself, has desperately tried to escape life.

This has been no accidental mode of living which the artist has simply blundered into. It has been produced by an unhealthy civilization. It explains why a vigorous, dynamic, intense literary tradition is "lacking." And it explains why the suicide of a poet is by no means an unnatural event in contemporary society.

Every writer of integrity faces the same dilemma that Hart [illegible]. In a period of transition between the decay of an [illegible] his tradition? Certainly the attempt of an artist like T. S. Eliot to find his cultural roots in the remote past offers no satisfactory solution. Among American writers, Dos Passos has glimpsed a way out. He looks to the present and the future for his inspiration rather than to the past. He sees the promise of a dynamic tradition in the new social order that is slowly emerging today. . . .

Even Crane's verse pointed in the right direction. Like Dos Passos, Crane searched for new artistic symbols in industrialism. Unlike Dos Passos, he did not possess the Communist attitude, which would have strengthened and clarified his approach to the machine and industrial life. If Crane had been born a decade later, if he had come into literary consciousness today when the swamps of bourgeois art are being drained, it would have been a different story. As it is, the finest poetic talent in American literature has been prodigally squandered by the same society (and in much the same manner!) which throws "surplus" foodstuffs to the fishes while millions are starving.

Baltimore, Md. ALAN CALMER.

Mr. Hoover's Error

SIR: The President, in his "background statement" refusing to entertain a revival of the old Council of National Defense to meet the present emergency, said:

> If you will consider that we already have a Cabinet in which there are eminent representatives of agriculture and labor and finance and industry; that we have the Reconstruction Corporation, with six or seven directors who represent directly industry and finance and agriculture; that we have the Federal Reserve Board, which represents finance and industry and agriculture; that we have the Farm Board, which represents seven different branches of agriculture; that we have the Farm Loan Board, with representatives of both agriculture and finance; that we have the President's Organization for Unemployment Relief, which is an advisory board of 100 leading citizens of the United States; that we have recently formed joint committees of industry and finance in leading centers to coördinate the credit facilities. . . .

Considering, as the President requests, all this, it does seem remarkable that something has not been accomplished by it. Perhaps, however, the task is so supremely difficult that even this assembly of powers cannot grapple with it. The task, indeed, is to operate the productive capacity of the country and distribute the products. Millions of people are eager to produce; millions more are still more eager to consume; and thousands of miles of railways and highways are ready and willing to transport the goods. This cannot be so gigantic a problem. I suspect that a ten-year-old boy could solve it. Why do Mr. Hoover and his celebrated experts find it impossible?

Mr. Hoover places faith in experts. If the sun were not to rise tomorrow, the procedure in his mind would be to ask an astronomer what the trouble was. Now if the sun were to fail to rise, it would be the astronomer who would be most confounded, and we should look elsewhere for guidance. Thus Mr. Hoover intelligently places faith in the Federal Farm Board, which quite ruined the farmer, and in the Federal Reserve Board, which did not dare to control brokers' loans, and a combination of other well intentioned agencies, to meet the needs of the present crisis. The result will be much running about without knowledge, and coöperation in ineffectuality.

A further difficulty, and apart from the inefficacy to which experts are liable, in government bodies is the necessity, which is adamant, not to step on anyone's toes. The problem of operating the country's resources is not, to the great leaders of industry, the simple problem it is to us. They feel obligated morally to divert a certain just proportion of the product of industry to themselves. Nothing the government may do must interfere with continuing this process—better that the wheels of industry should stop, and that the people who would operate them should, alas! starve, than that the institutions of this country should be impugned. This is a great obstacle to accomplishment by any arm of the government. The owners of capital are too strong in

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on free action under governmental auspices. He treads on someone's toes.

There is need of clear thought and single-minded action to deal with the present crisis in the interests of the country. The proposal submitted to the President may or may not have embodied a means potent to that end. It is signed by some of the most sincere and able, if less politically minded men active in present-day affairs. Mr. Hoover in his reply refers to them as a "number of gentlemen," and goes on to imply that "but few of these gentlemen" know what they are talking about. He feels an attitude of offensive superiority to be the correct gesture. Mr. Hoover is wrong.

Allendale, N. J. HERBERT HARVEY.

Redress for Investors

SIR: As a practising attorney, I read with special interest the article of your contributor, Mr. C. D. Williams [The New Republic, June 22] offering hope to unfortunate investors. If Mr. Williams' views have any effect, my fellow attorneys will undoubtedly benefit from a rush of business that would be quite welcome in these bad times. But I wish to offer a word of caution.

The chief point made by Mr. Williams is that a depositor or a client of a bank who receives false information, negligently given, from the securities department of that bank, and relying thereon, purchases securities in the open market, to his damage, has a cause of action against the bank.

Mr. Williams should have stated that the above is only his opinion, and that many lawyers would disagree with him. It is not worth while to make an extended legal analysis of the proposition, but I can assure readers of The New Republic that the probability is that the court would decide against the investor in Mr. Williams' hypothetical case.

Mr. Williams relies on Doyle v. Chatham and Phenix National Bank, 253 N. Y. 369. In that case a trust company was a trustee under a deed of trust to secure an issue of bonds. It was held liable to a subscriber to the bonds when it certified them falsely.

In Ultramares Corporation v. Touche, Niven and Company, 255 N. Y. 170, Judge Cardozo, in referring to the Doyle case, flatly states the ground for the decision therein: "A representation by a trustee intended to sway action had been made to a person who, by the act of subscription, was to become a party to the deed and a *cestui que trust*."

It is a long jump from the relationship of the parties in the Doyle case to the relationship of the depositor and the bank in Mr. Williams' hypothetical case. He must be rash indeed who would venture the assertion made by Mr. Williams.

LEONARD P. SIMPSON.

New York City.

SIR: In the article referred to, the general rule with respect to negligent misrepresentation was stated by direct quotation from the opinion of the New York Court of Appeals in Courteen v. Hongkong Banking Corporation, 245 N. Y. 377, viz.: that negligent misrepresentation was actionable only when the words are

> uttered directly, with knowledge or notice that they will be acted on, to one to whom the speaker is bound by some relation of duty, arising out of a public calling, contract or otherwise, to act with care if he acts at all.

An assumed case, to which this rule was applied, was as follows: a client of a bank whose security affiliate is one of the syndicate underwriting an issue of bonds, consults the securities department of the bank; the bank advises the purchase of bonds of such issue and in connection with the advice makes misrepresentations as to the assets and earnings of the borrowing corporation. The misrepresentations are not fraudulent, but if the bank had exercised care it would know the true facts. In reliance thereon the client buys the bonds in the open market and later suffers a loss.

Mr. Simpson's sole objection to the application of the rule to such a situation is that there is not "some relation of duty" between the bank and the client. This reply will therefore deal only with that question. Incidentally, that was not the "chief point" of the article as examination will show.

The following language of the Court of Appeals in the Doyle case is relevant (253 N. Y. 377):

> That there may be liability for damages resulting from the negligent utterance of words is now the settled doctrine in this jurisdiction. (Glanzer v. Shepard, 233 N. Y. 236; International Products Co. v. Erie R. R. Co., 244 N. Y. 331.) In the first of the cited cases a buyer of merchandise, in reliance upon an erroneous certificate of a public weigher employed by the seller, made an overpayment for the goods purchased, and was permitted to recover from the weigher the equivalent of the moneys overpaid. In the second, a consignee of merchandise, desiring to insure the same, inquired of a carrier, which was to warehouse them, where the goods would be stored. The carrier, although the goods had not yet been received, replied that they were stored upon a certain dock, and the consignee insured them at that place. They were subsequently received by the carrier and stored at another dock where they were destroyed by fire. In consequence the consignee lost its insurance. It was permitted a recovery from the carrier for the amount of its loss. No relationship had been established, between the plaintiff and the defendant, in either of these cases, when the careless statement was made. In the one, the plaintiff had no contract relationship with the weigher; in the other the relationship of bailor and bailee had not been initiated, for the goods had not been received. Nevertheless the negligent statements gave rise to causes of action.

The relation in the case assumed in the article is stronger than that in the Glanzer and International cases in that the relation between bank and client was preëxisting and continuing, and that the misrepresentation was in the course and part of a regular service for which the bank was receiving compensation from the client, directly or indirectly, in that the bank was making a profit upon the client's deposit. In the Glanzer and International cases the transactions were isolated; no relation existed at the time the negligent words were uttered and in the International case the words were not uttered in the rendition of a regular service. In the Glanzer case such compensation as was received by the wrongdoer was not paid by the injured party.

In the Doyle case, too, as Mr. Simpson's quotation from the opinion in the Ultramares case shows, there was only a prospect of a relationship at the time the misrepresentation was made.

This doctrine was in no way qualified in the Ultramares case. Limitations of space prevent extended quotation, but I suggest that interested lawyers read especially pages 180 to 185 of 255 New York.

The opinions in both cases refer frequently to "privity," the "rendition of a service," "special province to know a particular fact," and the status of the victim as a person "desirous of ascertaining the fact for the purpose of determining his course accordingly," as features strengthening the plaintiff's case. All these elements exist in the assumed case.

In the light of the above I must confess that it had not occurred to me that there could be any question as to whether, upon the assumed facts, there was a relation of duty, nor any necessity for stating what was implicit in the article, *i. e.*, that it was my opinion.

The article was shown in advance of publication to four lawyers in whose opinion I have confidence. None of them raised the point suggested by Mr. Simpson. I might add that, in contrast to Mr. Simpson, one man whose judgment I respect believes that the Ultramares case is far stronger for the investor than was intimated in the article.

An amusing commentary on the subject may be found in the earnest advertisements of the rival committees soliciting deposits of Kreuger and Toll 5% Secured Debentures (New York Times; June 22, 1932, p. 37; June 23, 1932, p. 35)—the advertisements are mainly devoted to assurances to the bondholders that deposits with them will in no wise prejudice causes of action that the holders may possess by reason of misrepresentations in connection with the purchase.

C. D. WILLIAMS.

New York City.

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Warden Lawes at Sing Sing

20,000 Years in Sing Sing, by Lewis E. Lawes. New York: Ray Long and Richard R. Smith. 412 pages. $3.

THIS BOOK is a record of accomplishment in two directions. It shows the growth of a personality, and it traces the development of a system, a technique, in one of the most difficult and hazardous fields of social effort at the present time. The two phases are closely related, so that a sociological essay has the vitality and color of a story of adventure. Warden Lawes has had a unique experience. He started as a guard in Clinton Prison. "In those days," he remarks, "no guard had ever risen to a wardenship or superintendency. Politics saw to that." By persistent study he evolved a theory of prison administration, tested it in practice in several positions, and finally achieved an almost incredible ambition. He became warden of Sing Sing in 1920. It used to be said that the quickest way to get out of Sing Sing was to come in as warden. For twenty years the average term of office had been eleven months. The present volume fittingly celebrates Warden Lawes's twelve years of service. His prison is the most famous institution of its kind. It is visited every year by people of distinction from all countries, among whom its warden easily takes his place as one of the notable men in the world today.

The theory upon which Mr. Lawes works he expresses tersely in a paragraph: "The warden knows that 50 percent of his wards are not really criminally minded. That half as many more are the products of circumstance and environment. That of the remaining 25 percent only a possible half are aggressively anti-social and dangerous to the community." Some such analysis had been the basis of the administration of Thomas Mott Osborne. But Mr. Osborne's attempt to treat a prison as a normal social unit and give a large measure of self-government to the prisoners resulted in the ascendancy of the dangerous eighth. The same phenomenon appears rather generally in political government everywhere, but it is peculiarly menacing in a community whose standards of distinction are determined by success in law breaking. "Prisoners are, actually, people who have quarreled with the law. Regardless of motivating forces or underlying causes, prisons are communities of nonconformists. . . . Prison administrations are in the nature of emergency governments." On his first appearance at Sing Sing, Warden Lawes discarded the "You be a good boy and I'll be a good warden" policy. "What they would get in the line of privileges they would have to earn. On the other hand, if their conduct justified it, they would get as much leeway as was consistent with their status as prisoners in a state prison."

With this realistic attitude, Warden Lawes eliminated party politics and the control of cliques and gangs from the Mutual Welfare League, and restricted it to its proper functions. He states a principle which is sound in social practice elsewhere: "I had always maintained that the collective judgment of a group is generally good. Where the group is disintegrated into sects and parties there can, of course, be no unanimity of purpose, no coöperation." Reliance upon the collective opinion of the prison population and upon the loyalty of individuals has been the strength of Warden Lawes's administration. His book is replete with instances of both. During the epidemic of prison riots in 1929, Sing Sing remained quiet. The warden did not think it necessary to impose any censorship upon the news. It was during this period of tension that the blanket repossession of a gun brought about a mutinous spirit. On one occasion, as the warden faced the whole body of prisoners in the chapel, no guards being present, a thunderstorm broke and a bolt struck the wires, plunging the hall into darkness. "I was worried—scared would be a franker word." A discourse on the necessity of mutual understanding fell flat. Then a darky story, a little off-color, not new but merely human, brought a laugh. The crisis was over.

Once a guard lost his gun. The warden picked out the man best fitted to retrieve it, a famous gang leader. "'I want that gun.' 'You're on the square, Warden,' he answered. 'If you get that gun—no questions asked?' 'None.'" The gun was on his desk within an hour.

Some of these stories of individuals are full of pathos; one has a grim humor reminiscent of Hardy's "Three Strangers." Pursuing an escaped prisoner the warden, on a hunch, turned his car into a side road. A man stepped out of the darkness and called, "How about a ride, Mister?" "Sure, jump in." In a few minutes they were at the prison gate, where the guard hailed: "That you, Warden?" "I'll be damned," shouted the prisoner. "You will," answered Lawes.

The attainment of the objective, to allow prisoners a normal experience of life, so far as it is compatible with "emergency government," will not be questioned by anyone who has visited Sing Sing. There one sees no stripes, no lock step, no prison pallor or slouch—only a city of twenty-five hundred men moving about freely and naturally, under a discipline that is scarcely noticeable. It is not to be wondered at that some men who have given themselves up to the spirit of the institution show something of the same reluctance to go forth as boys to leave college. Warden Lawes is proud of the men who have emerged to make good: he is perhaps equally proud of his "lifers," who are "our best prisoners and most dependable." As in other schools, sports promote not only recreation but also morale. Every Sunday afternoon in the season, the Sing Sing baseball team plays a team from outside. The present reviewer, watching a game from the grandstand, commented on the excellence of the home team and remarked, "I suppose they have plenty of time to practise." "Well, only a half-hour a day," replied the warden. "You see, the superintendents of the different departments don't like to have the work interrupted." "Ah," observed Bill Chenery of Collier's, "what you need is a strong alumni association."

All this does not detract from the sinister implication of the title. "Twenty-five hundred men saddled with an aggregate of twenty thousand years!" Warden Lawes is not a believer in punishment. "I am surfeited with this constant emphasis on punishment and still more punishment. Mere boys handed out twenty and twenty-five years; older men guilty of an only and single offense, five or ten or more years." He does not believe that sending one man to prison deters others from attempting similar crimes. In particular, he is opposed to the death penalty, pointing out that since only 2 percent of those guilty of the 10,000 murders a year in the United States reach the death chamber, the uncertainty neutralizes any deterrent effect. He sees "no reason why prisons should not turn out men better than they came in, wiser for their experience, corrected in their views of life, more widely equipped to attain and retain their places in society." How fatal to such reform is the indiscriminate application of punishment with the constant tendency to increasing severity, the 400,000 men and women in American jails and prisons bear witness. And this army will increase so long as politics is the controlling element in penal administration. The insensate

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political preferment the reward of judges and prosecutors who deal in ferocious sentences. The building and staffing of prisons yield fat contracts and political jobs. In some states the prisoners rented out on contract are a source of profit. Long sentences make the exercise of the pardoning power an opportunity for executive graft. Altogether, punishment in America is administered on a political, not a scientific, basis, and its amount is wholly disproportionate to its reformatory purpose. In "The Crime of Punishment," Miss Margaret Wilson points out that in England and Wales, with a population of 39,000,000, there were 11,109 prisoners in 1928, while in New York State with 10,000,000 population, there were 16,494. In England, those sentenced to three years and more numbered 483; in New York, 1,516. California has more punishment in proportion to its population than New York; and Georgia, where the chain gang earned $3,269,000 in four years, more than California.

Warden Lawes has done magnificent work at Sing Sing in revealing and emphasizing the function in society of prison life. He is entitled to the reward of doing a greater work for the entire country through this record of his fruitful experience in a book at once honest, able and fascinating.

ROBERT MORSS LOVETT.

Is Foreign Trade the Answer?

The Crisis of Capitalism in America, by M. J. Bonn. Translated from the German by Winifred Ray, with an introduction by George S. Counts. New York: The John Day Company. 232 pages. $2.50.

THIS IS not Dr. Bonn's first book on the United States, nor does it differ essentially from other European works in the same field. Its distinguishing quality is that it expresses, perfectly and opportunely, a point of view which has long been popular abroad, but has only recently gained ground over here. Not until the depression was under way did Americans begin to understand that a crisis of capitalism had been coming to a head for years and was going to break with the greatest force in their own country.

Dr. Bonn devotes the first two-thirds of his book to telling the familiar story of the rise and fall of American prosperity and to emphasizing the two unique features of our present situation. One is that there is no free land left for the unemployed to exploit; the other is that capitalism is faced for the first time in its history with another system, that of Soviet Russia. The disappearance of the frontier has made the United States more like Europe in that our citizens have no new territory to settle, but mass production of standardized goods has made us more like Russia in that our tastes are becoming increasingly uniform and our activities increasingly collective; in fact, we are as far ahead of the Communists in practice as we are behind them in theory.

Being a good European, Dr. Bonn worships individuality and hates uniformity. Every European tendency in American life heartens him, whether it be the chastened worker demanding security for the cultivation of his garden or the unchastened banker demanding the same security for the cultivation of international trade. His distress at every symptom of collectivism is equally typical of his background. Middle-class visitors from the Old World have always marveled at the docility of the American worker and have repeatedly prophesied that this docility could not survive a collapse of prosperity or a decline in the standard of living. Dr. Bonn goes further. Not only is he more conscious than most Europeans of the class war on the home front; he also understands that the same war is being fought in America with even greater intensity. For the supreme contradiction of the machine age—want in the midst of plenty—is sharper in the United States precisely to the extent that American mass production is more highly developed than European mass production. Such is the essence of Dr. Bonn's concluding analysis, which grows naturally out of his earlier pages of description and which deplores the fruits of mass production—collectivism, standardization and incipient communism—without, however, denying their existence.

Only the final chapter, "Province or World," gives the author away. Here he asserts that America depends for her existence on the outside world and that foreign trade will solve her crisis of capitalism. Believing in Europe—or rather in European capitalism—Dr. Bonn offers to the United States the European solution, imperialism and war. He does not go into details, and thus avoids having to mention the war danger which would be just as inherent in a further spread of American imperialism as it has been in the spread of every other imperialism. Yet the very inadequacy and brevity of his solution add to the value of the book as a whole. The inadequacy reveals shortcomings in the author that appear but dimly elsewhere, and the brevity of this last chapter gives to the preceding chapters of description and sharp analysis the preponderance they deserve.

QUINCY HOWE.

The Great Negotiator

Owen D. Young: A New Type of Industrial Leader, by Ida M. Tarbell. New York: The Macmillan Company. 342 pages. $3.

THE KINDEST explanation for this dithering book is that the Democratic National Convention was to have written its final chapter after publication, and didn't. Otherwise, the mystery of why Miss Tarbell should write in this fashion of Mr. Young is unalleviated. Of him she sings—and one can only add: Baby!—"'His smile alone is worth a million dollars,' said one of the men thrown much with him in the early legal work of the General Electric."—"He had set a lodestar in the industrial sky" (author's own dictum).—"He turns our eyes to the future, to a greater love of man" (quoted from Dr. W. R. Whitney of the G. E. laboratory). Oodles of this. It is a hard task for a biographer to prove a thesis of perfection, and of course Miss Tarbell just hasn't made good.

We see, after all the adjectives, only a mighty nice fellow in an adjuster's job in an enormous monopoly; and Owen Young's "lodestar" boils down to a supreme adroitness in putting it over, in making them like it. To the phrase, "great engineer," Miss Tarbell apparently foresaw a campaign that would feature the opposing phrase, "great negotiator," for she uses it again and again. We are shown Mr. Young, with a perpetual frozen smile, going through life doing common-sensible palliative things and making people like it. In student days at Lawrenceville, "a happy college, so happy that it had become known through the state as 'The Singing College,'" he raises an eighty-dollar debt on a school paper and makes the donors like it. As a lawyer cabbaging indeterminate franchises from small towns in Texas for the Stone and Webster interests, he makes the small towns sign away their streets and like it. Finding the General Electric employees harboring bothersome ideas

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about democracy in industry, he works out a paternalistic welfare plan and makes them like it. He goes twice to Europe to salvage the long infamy of the Versailles Treaty, helps to devise a plan whose major virtue has been its suspension clause, and makes them (temporarily) like it.

Taking this book together with Miss Tarbell's earlier history of Standard Oil, one perceives that the older work could have had none of the far-reaching implications that were imputed to it; that if the elder Rockefeller had only made them like it, and had had a million-dollar smile, all would have been well as far as Ida Tarbell was concerned. What we thought was criticism went no deeper than the question of financial manners.

Now, negotiation itself is an art, interesting *per se*. But either a lack of detailed information or the law of blurb writing has kept Miss Tarbell from showing us intimately, in any single instance, the mechanism of palliation at work. We are shown Mr. Young facing the given task, uttering a few obvious, pleasant words, and smiling; and the thing is done. There must be more to it, for everything said by him in these pages has been said very often before, and there have been smiles before. Upon three topics that did involve strain and maybe scowls, she touches but lightly. Very little is told about the formation of the Radio Corporation. In regard to the holding corporations in the power industry, Mr. Young's argument in justification thereof is quoted at three-page length: said argument being the usual one in behalf of natural monopoly, plus the statement that the only thing wrong with holding companies is the abuses that may creep into their financing. Upon the most fundamental issue of all—the looting of the people's rivers, the conversion of the natural resource of stream-flow into a magnificent private asset—Miss Tarbell becomes delightful. This was "a question . . . which had come seriously to tease him and probably never will cease to tease him—the control of water power." It seems too bad that such a very genial apologist should be teased by a little thing of this sort. The West is full of once-hopeful irrigationists who have been something more than teased.

ERNEST JEROME HOPKINS.

Apprentice Gangster

Young Lonigan, by James T. Farrell. New York: The Vanguard Press. $3.75.

PROBABLY to avoid trouble with the Society for the Suppression of Vice, the publishers have chosen to issue "Young Lonigan" in a textbook format and to announce that it will be sold only to physicians, psychiatrists, teachers and social workers. In this way a grave injustice is done to the author. One gains the impression that the book is either a piece of sleazy erotica or a case history after the manner of Krafft-Ebing. It is neither one nor the other; it is in reality a novel, a very promising one, dealing with a Chicago gang in a spirit not dissimilar to that in which Michael Gold deals with the East Side in "Jews Without Money."

The grown-up posturings of Studs Lonigan, his cigarette smoking and tobacco chewing, his adolescent hero-worship of boxers, his sexual day dreams, all stem from the hard-boiled Chicago street gang of which he is a part. The gang is the social unit. Its aspirations, its ethics, baseball and prize-fight slogans and tabloid ikons, when channeled into the world of business, racketeering and national politics, become our adult America. Briefly, our national pattern of life has its roots and source in the gang.

stores and ice boxes, fight and stand on street corners watching broads go by, while making their estimates and decisions. Sex either softens them, makes them gushy and idealistic about women, or drives them into a predatory frenzy. For these adolescents it has all the secret fascination of lavatory inscriptions. Much of the novel is written in the speech of Chicago's street arabs, the idiom of the tough guy, the monosyllables of the neighborhood idiot. In the hands of a lesser craftsman, these conversations would have been as irritating as talkie dialect. Farrell has rendered them with a convincing naturalness and hard integrity that give his book a place beside Erskine Caldwell and Robert Cantwell.

The background of the gang is the parochial school and Irish-American home life. The portrait of the family—old man Lonigan belching over the comic strips, Mrs. Lonigan exhorting Studs to pray and study that he may have a calling for the priesthood—are done with considerable deftness. The book ends with Studs adrift: having finished the eighth grade, he doesn't want to attend high school. Like Weary O'Reilly, who knows how to tell the old man and woman where to get off, he wants to have his own money, sleep with Lucy and be as scientific a puncher as Jim Corbett.

"Young Lonigan," despite the manner of its publication, is not a study of the *psychopathia sexualis* of American boyhood. The emphasis, in reality, is on the texture of the language. Farrell's American idiom has a fresh pliancy and a kind of headlong vigor. With the development of these qualities he promises to go far as a writer.

EDWARD DAHLBERG.

Trotsky Surveys the World

Germany: The Key to the International Situation, by Leon Trotsky. New York: Pioneer Publishers. 45 pages. 10 cents.

THIS IS one of a number of pamphlets by Trotsky published by the Communist opposition group in this country. The discussion of the German situation is preceded by a rapid survey of the situation in several of the leading countries. "The Spanish revolution has not yet been concluded," for the reason that it has not yet solved the agrarian, the church and the national questions, these being the most pressing problems by which it is faced. "The Communist party, totally impotent at the beginning of the revolution, has taken a false position on all the important questions." In England, there is no ground for assuming that the collapse of the "national" bloc will lead directly to the proletarian revolution or to a Fascist triumph. The world position of France is anomalous. A second-rate economic power, her political position and pretensions are monstrously exaggerated. To maintain them, she is obliged to ally herself everywhere with the reactionary forces. If no great events take place outside of the country, particularly in Germany, no startling developments are to be expected in France. In America, "communism can face its great future with confidence," owing to the economic crisis; there the workers will no longer be satisfied with "the old melange of empiricism, mysticism and quackery." In Japan, the Manchurian adventure, spreading out, will exhaust the economic organism, and can lead to revolution. In China, the Japanese will feel themselves besieged; but the necessity for a determined war of defense will lead the Chinese masses away from the Kuomintang regime. Behind the Japanese threat in Manchuria against the Soviet, which seems to be consciously

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provocatory, stands France; the Soviet must meet this threat with firmness and far-sightedness, "while keeping its hands free" (a most difficult policy to follow through!).

In Germany, the Fascist menace must be met with utmost determination. Rather civil war than permit Hitler to assume the reins of government! Hitler, in power, will not fight France—he will have too much to do suppressing labor; rather will he become a tool of the French ruling circles, and together with Pilsudski and the Rumanian clique attack the Soviet. This would be the most perilous situation that can be imagined for the latter; it would mean half the battle won for the reaction. Hence the Communists must form an alliance with the Social Democrats for a war to the death against Fascism. Trotsky is most bitter in his denunciation of the German Communist party and of the Communist International for assuming the fatalist attitude that since Hitler must win in the end, let him win soon and compromise himself. He must never be allowed to win, is Trotsky's reply; rather a prolonged civil war—and the intervention of the Red army. Trotsky is too clever not to know that the Red army on the march means another European war, if not world war. But he says nothing about it, and most likely he would prefer to take chances with another Great War, rather than permit Hitler to assume power unopposed; for Hitler means war, in any case.

HERMAN SIMPSON.

South of Yucatan

Banana Gold, by Carleton Beals. Philadelphia: J. B. Lippincott and Company. 367 pages. $3.

TOO MANY books have been written by Cook's tourists to Latin America. The countries beyond the Rio Grande are entirely strange to Americans of the North; only by stubborn patience can we foreigners absorb their traditions, codes and politics. Carleton Beals has the necessary patience, combined with thoroughness of observation and the good journalist's talent for making friends. He has lived for nearly sixteen years in Latin America, chiefly in Mexico. His latest book deals with his travels in the banana republics south of Yucatan, where the local civilization has been blighted—he believes by the influence of American bankers, exporters, banana planters and Marines.

His visit to Sandino, which he describes in the most exciting part of the book, was made in 1928, when the rebellion in Nicaragua was at its height. He had no credentials except informal recommendations from Sandino agents in Mexico and Guatemala, with the help of which he procured more or less trustworthy guides. The Marines, then overrunning the country, would have opened fire on his party at sight. The inhabitants, for their part, needed little excuse to kill a gringo. He rode on through jungles and along the edge of mile-high cliffs, deprived of sleep, drenched with rain, shivering with fever. Often it would have been easy to lift his hand from the saddle pommel and pick a handful of orchids—not so easy, however, to send these orchids to his favorite blonde. There was a moment when a stranger greeted his party cheerfully with the information that he had come near shooting them, but just in time saw the red and black ribbons on their hats—Sandino's colors.

Sandino himself, when Mr. Beals finally reached him, turned out to be a straightforward, intense little man, hardly more than five feet tall, whom his soldiers worshiped to the point of idolatry. Mr. Beals portrays him as a pure whose ruling purpose was to give back the land to the people. Meanwhile he supported his troops as best he could. He told a colonel, at one point during the interview, to go out and buy clothes for five ragged soldiers, and handed him ten dollars for the purpose. "All I have at the moment," he said. "Tell the storekeeper we are poor and the money must go as far as possible. If it doesn't quite reach, tell him to send his bill for the balance to Mr. Coolidge."

Having interviewed Robin Hood, Mr. Beals himself was interviewed by the Sheriff of Nottingham. "What does Sandino want?" he was asked by General McCoy of the Marines. And he thought that it was strange to fight a man for a year without even knowing his purpose.

In general Mr. Beals loathes and detests the ways of American imperialism in Latin America. He has tolerant words for "our financial and political proconsuls and our Marine officers"; they are "fanatically sincere, imbued with a religious fervor of doing good"; but they despise the people with whom they must deal, and the result of their alien efforts is never to reform the country, but merely, at the best, to form a new skin over old sores—"while underneath the corruption which otherwise might have been eliminated goes on eating more deeply into the tissues of the social life."—"Any government," he says elsewhere, "is always in the long run probably better than the best foreign one." And the condition of Central America today, under a foreign half-rule, is evidence to prove his contention.

Carlos Merida, a Mexican artist who should be better known in this country, helps to make "Banana Gold" a fascinating book by contributing a cover design, a frontispiece and chapter headings which perfectly fit the spirit of it.

PEGGY BAIRD.

Book Notes

MEMOIRS

I COVER THE WATER FRONT, by Max Miller. *New York: E. P. Dutton and Company. 204 pages. $2.50.*

For the casual reader, this is just another reporter's book, though a good one: a sequence of deft and sensitive sketches of people and things, both in motion and at rest; a kind of philosophical newsreel, with an alert, skeptical and wistful seagull turning the crank, pointing the lens, and later, by skillful montage, adding the dimensions of reflection and art. But there is more to the book than this. Implicitly, almost unconsciously, it raises the whole question of the newspaperman's profession; why does the ordinary or even the extraordinary reporter who lives and works in the thick of things, feel so isolated, so frustrated, so enslaved, both by the trivia of his job and by a sense of inferiority and impotence with reference to the total social process of his time and place? Admittedly, newspapers aren't quite real, but who will rescue them from fantasy unless it be newspapermen? Mr. Miller avoids the twin vices of newspaperdom—cynicism and sentimentality—but only by a hair. He has another book to do and a better one. Possibly this second book might make him one of those newspaper-created celebrities by whom he is still faintly bemused.

BELLES LETTRES

LIVES, by Gustav Eckstein. *New York: Harper and Brothers. 216 pages. $2.50.*

Keen powers of observation, an inexhaustible tenderness and a consuming interest in animals, human and other, are blended in this volume by the author of "Noguchi." Dr. Eckstein here nar-

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parrot, seven cats, a family of canaries, a pigeon, a macaw, three turtles—and an eccentric Portuguese gardener. The tragic comedy of all these "Lives" is presented with a studied naïveté which will hugely delight all animal-fanciers and leave sober naturalists to chuckle tolerantly at Dr. Eckstein's gentle but deceptive anthropomorphism.

SONG AND ITS FOUNTAINS, by A. E. *New York: The Macmillan Company. 133 pages. $1.25.*

This is A. E.'s attempt, by telling how some of his own verse was written, to "unveil some of the secret sources of poetry"—a process which de Sanctis has called "practising geology on a work of art." The up-to-date reader, used to the sharp-angled excavations of Paul Valéry and T. S. Eliot, will feel that he has got lost on a mountaintop in a cloudland of Celtic mist. A. E. is too lofty and too rapturous to be a precise esthetician, and his book is notably deficient in ideas. But it has genuine beauty as a plea that the fountains of song are no less wonderful than song itself.

Psychology

THE DEVELOPMENT OF THE SEXUAL IMPULSES, by R. E. Money-Kyrle. *New York: Harcourt, Brace and Company. 219 pages. $3.*

Starting with a "desire to clear my mind and to bring some order and consistency into my ideas about psychoanalysis and the relation of this science to philosophy, psychology, biology, anthropology, sociology and ethics," Professor Money-Kyrle discusses the familiar problems of impulse, stimulus and reaction, instinct and intelligence, the mechanism of repression and inhibition and numerous other factors, physical and psychical, of the sexual life. Much material from comparative psychology and anthropology is used to illustrate human behavior, and the indebtedness to Freud is manifest. The main conclusion is that psychology should favor the growth and strengthening of human values through a frank acceptance of Desire as a prime mover in thought and action.

THE PSYCHOLOGY OF CHILDREN'S DRAWINGS, by Helga Eng. *New York: Harcourt, Brace and Company. 223 pages. $3.75.*

This volume is the result of an interesting and valuable, if by no means decisive, experiment in child psychology. The author studied the spontaneous drawings of a child from the first scribblings up to the colored work at the age of eight, following the case record with a conscientious analysis of the psychological significance of children's drawings, and their connection with folk art. The volume is competently documented, illustrated by many reproductions, and will prove of interest to child educators and experimental psychologists. Exception must be taken to the author's claim that such material gives "a psychographic representation of the growth of the child's mind during the time when it was still developing freely and naturally." The author should have made considerable allowance for the possibility that *mental* development is much more rapid and subtle than the *muscular* coördination necessary to make adequate graphic representation of it.

Russia

RUSSIA'S DECISIVE YEAR, by Ellery Walter. *New York: G. P. Putnam's Sons. 282 pages. $3.*

Mr. Ellery Walter went to Russia "as a Communist sympathizer and a free-lance writer interested in doing a story about the success of the experiment and the life of the young Russians." After a six months' stay, during which he covered 15,000 miles in White Russia, Central Russia, the Ukraine, western Siberia, the Caucasus and the Crimea, visiting industrial plants, collective and state farms and various Soviet institutions, he left the Soviet Union thoroughly disillusioned with the revolution and the Five Year Plan, and "sick and tired of black bread, lice and smells." These superficial, though rather vivid, sketches are calculated to appeal to those who wish to sustain a quavering faith in capitalist infallibility by feeding on "debunking" tales about the Soviets. Unfortunately, Mr. Walter has neither the breadth of vision, nor the generosity, nor the sensitiveness, nor the historical and lin-

WORKING FOR THE SOVIETS, by Walter Arnold Rukeyser. *New York: Covici-Friede. 286 pages. $3.*

When a native of this country announces, during the course of his book on Russia, that Negroes in America "attend our best universities, lectures, concerts, theatres . . . that they have complete political franchises, and so on," one cannot help wondering if his information about a foreign country is not as inaccurate as his information about his own. Fortunately, however, Mr. Rukeyser makes few excursions into the fields of social generalization, and his story in the main is a straightforward account of his efforts to place a Soviet asbestos mine on a profitable and efficient basis. Although his native prejudices in favor of all things American lead him into many unjust criticisms of the Soviet regime, his book succeeds in carrying over the dead seriousness and implacable energy with which the Russians are building their industrial heaven-on-earth.

Fiction

GOD'S GENTLEMAN, by Garry August. *New York: Alfred A. Knopf. $2.50.*

Novels, statements and autobiographical mementos by and about rabbis have had something of a vogue during the past year. "God's Gentleman," by Garry August (himself a rabbi) is in a way something of all these. It is the fictionized confession of Daniel Sharwell, who, although he despises the elevated women's auxiliaries and "culture fiends" in his town, has not been able to escape the kind of parasitism he assails. He is the type of American rabbi who wants to be the community iconoclast and the disinterested leader of his people, but at the same time has no intention of giving up his ten thousand a year for exhibiting his baritone in the pulpit and impressing the gentiles with his learning and nonsectarian idealism. Essentially weak and flabby, Daniel Sharwell invests a large part of his salary in gilt-edged bonds, so that some day he can go to Europe and be the intransigent nonconformist he believes he really is. In the meantime he swallows capsules of Bach, Anatole France and Rabelais as a nostrum for the spiritual charlatanism from which he suffers. The crash comes, the depression sets in, and he decides that he must remain in his pulpit at a reduced salary, and see it through with his congregation. Some of the scenes dealing with the bartering that goes on among trustees of synagogues who are trying to land a high-class rabbi are rendered accurately and amusingly, but in general the style is hackneyed and the book, as an indictment, does not go deep enough.

Contributors

H. N. Brailsford, The New Republic's London correspondent, is the author of a number of books on sociological and literary subjects.

Waldo Frank, whose novels and books of travel are well known to readers of The New Republic, will publish "Dawn in Russia" this summer. The article in the current issue is one of a series taken from his book, which will be issued under the imprint of Scribner.

Ludwig Lore is a well known German-American journalist living in New York City. He was for fifteen years editor in chief of The New Yorker Volkszeitung.

Paul Rosenfeld, the author of several volumes of criticism and a novel, "The Boy in the Sun," is at present completing his second novel.

Quincy Howe is the editor of The Living Age.

Ernest Jerome Hopkins gained an intimate knowledge of power-corporation tactics and their social effects during years of editorial writing and reporting of economic "stories" in California. His second book, "What Happened in the Mooney Case," will appear in September.

Edward Dahlberg is the author of "Bottom Dogs" and has also written a second novel, "Flushing to Calvary," which Harcourt, Brace will publish in the fall.

Herman Simpson was on the editorial staff of "The International Encyclopedia" and has been an editor of The New York Call and The New Review.

Peggy Baird, who was formerly a newspaper woman, re-

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